

# Annual Report 2016

Messe Düsseldorf Group

Annual Report 2016 Messe Düsseldorf Group

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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%
<b>Nominal capital</b>	<b>15,625</b>	<b>100.00%</b>

## 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

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## Supervisory Board of Messe Düsseldorf GmbH in 2016

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

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### Chairman

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

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### Vice-Chairpersons

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

Andreas Hartnigk, Lawyer, Member of Düsseldorf City Council

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

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### Members

Uwe Balzer, Company 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, SMEs and Craft Industries

Friedrich G. Conzen, Businessman, Deputy Mayor of Düsseldorf

Ulrich Dreckmann, Businessman (IT systems), Messe Düsseldorf GmbH Employees' Representative

Andreas Ehlert, President of Düsseldorf Chamber of Handicrafts

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, SMEs 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 Dept., Messe Düsseldorf GmbH Employees' Representative

Manfred Kornfeld, Managing Director of Industrieterrains Düsseldorf-Reisholz AG – since 13 August 2016

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 Industrieterrains Düsseldorf-Reisholz AG – up to 12 August 2016

Dipl.-Ing. Stefanie Rübsamen, Head of Dept., 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

		2012	2013	2014	2015	2016
Total capacity*	m <sup>2</sup>	305,700	305,400	305,400	304,800	304,800
Available hall space	m <sup>2</sup>	262,700	262,400	262,400	261,800	261,800
Available open-air space	m <sup>2</sup>	43,000	43,000	43,000	43,000	43,000
Space utilized*	m <sup>2</sup> (gross)	2,101,300	1,737,287	2,294,836	1,624,789	2,247,486
Space rented out*	m <sup>2</sup> (net)	1,219,626	979,346	1,315,625	891,438	1,308,304
Fairs and exhibitions*	total	37	29	36	29	31
Self-organized events*		23	18	21	18	19
Partner / guest events*		14	11	15	11	12
Total consolidated sales	€ million	380.5	322.9	411.5	302.0	442.8
Consolidated sales (Germany)	€ million	265.8	210.0	299.7	202.1	369.7
Consolidated sales (foreign)	€ million	114.7	112.9	111.8	99.9	73.1
Consolidated annual profit	€ million	40.6	14.0	57.7	10.3	58.8
Group workforce		1,250	1,212	1,200	1,207	932
Exhibitors*	total	27,988	25,126	31,269	25,819	32,383
Exhibitors (German-based)		11,380	9,662	11,363	9,189	10,796
Exhibitors (foreign-based)		16,608	15,464	19,906	16,630	21,587
Visitors*	total	1,452,077	1,194,674	1,399,024	1,084,121	1,591,424
Visitors from Germany		958,024	837,852	904,076	802,291	899,322
Visitors from abroad		494,053	356,822	494,948	281,830	692,102
Düsseldorf Congress Sport & Event GmbH						
Event days		309	330	331	314	308
Events		3,041	3,189	4,335	3,463	3,695
Participants		2,121,426	2,025,498	2,379,560	2,355,149	2,269,494

\* 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 2016

	Exhibitors German-based	Exhibitors foreign-based	Exhibitors total	Net exhibition space in m <sup>2</sup> , not counting special exhibition areas	Visitors total	Visitors of which foreign- based in %
BEAUTY DÜSSELDORF	483	137	620	22,436	67,287	9
boot Düsseldorf	862	971	1,833	94,189	244,691	18
CARAVAN SALON DÜSSELDORF	364	196	560	104,461	204,477	14
COMPAMED*	257	516	773	13,073		
drupa	521	1,302	1,823	156,552	260,165	75
ENERGY STORAGE EUROPE	97	45	142	1,251	3,026	37
EuroCIS	239	172	411	10,767	10,427	42
GDS Winter with tag it!	199	474	673	28,094	14,220	43
GDS Sommer with tag it!	189	513	702	27,155	12,461	42
glasstec	358	879	1,237	64,033	40,105	70
K	1,040	2,253	3,293	173,025	232,053	71
MEDICA**	1,049	4,069	5,118	115,890	117,902	70
ProWein	979	5,276	6,255	68,550	55,729	49
REHACARE	453	461	914	32,031	48,642	15
TOP HAIR INTERNATIONAL	128	37	165	6,487	32,013	7
TourNatur	179	93	272	4,385	43,567	4
Tube	321	956	1,277	51,183	31,304	62
VALVE WORLD EXPO	147	575	722	19,871	12,422	68
wire	313	1,022	1,335	59,522	38,255	65
Other events	2,618	1,640	4,258	255,349	122,678	28
<b>Sum total</b>	<b>10,796</b>	<b>21,587</b>	<b>32,383</b>	<b>1,308,304</b>	<b>1,591,424</b>	<b>44</b>

\* Number of visitors included in MEDICA visitor total

\*\* Including visitors to COMPAMED

# Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2016

Assets	31.12.2016	31.12.2015
	€ '000	€ '000
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Concessions, industrial and similar rights and assets, and licences in such rights and assets	5,570	5,662
Advance payments made	3,272	1,346
	<b>8,842</b>	<b>7,008</b>
<b>Tangible assets</b>		
Land, land rights and buildings, including buildings on third-party land	326,854	257,991
Other equipment, factory and office equipment	10,004	9,808
Advance payments made and assets under construction	12,641	70,420
	<b>349,499</b>	<b>338,219</b>
<b>Financial assets</b>		
Shares in affiliated enterprises	3,868	12,913
Loans to affiliated enterprises	0	13,724
Participations	286	286
Other loans	20	43
	<b>4,174</b>	<b>26,996</b>
	<b>362,515</b>	<b>372,193</b>
<b>Current assets</b>		
<b>Inventories</b>		
Raw materials, auxiliary materials and supplies	79	79
<b>Receivables and other assets</b>		
Trade receivables	10,448	4,650
Receivables from affiliated enterprises	1,848	1,773
Receivables from enterprises in which participations are held	906	1,130
Other assets	12,057	9,056
	<b>25,259</b>	<b>16,609</b>
<b>Securities</b>	0	9,999
<b>Cash-in-hand, bank balances and cheques</b>	187,840	103,590
	<b>213,178</b>	<b>130,277</b>
<b>Prepaid expenses</b>	5,162	3,119
<b>Sum total</b>	<b>580,855</b>	<b>505,589</b>

Equity and liabilities	31.12.2016	31.12.2015
	€ '000	€ '000
<b>Equity</b>		
Subscribed capital	15,625	15,625
Capital reserves	111,398	111,398
Revenue reserves	120,000	120,000
Distributable profit	132,780	71,888
	<b>379,803</b>	<b>318,911</b>
<b>Accruals</b>		
Accruals for pensions and similar obligations	15,896	17,949
Tax accruals	13,046	5,843
Other accruals	49,087	37,996
	<b>78,029</b>	<b>61,788</b>
<b>Liabilities</b>		
Liabilities to banks	30,129	30,128
Advance payments received in respect of orders	51,441	59,906
Trade payables	17,915	8,349
Payables to shareholders	22	11
Payables to affiliated enterprises	15,009	15,481
Other liabilities	8,507	11,015
(of which taxes: € 1,448k; previous year: € 609k)		
(of which relating to social security and similar obligations: € 50k; previous year: € 2k)		
	<b>123,023</b>	<b>124,890</b>
<b>Sum total</b>	<b>580,855</b>	<b>505,589</b>

# Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2016

	31.12.2016	31.12.2015
	€ '000	€ '000
Sales	406,911	242,792
Own work capitalized	242	348
Other operating income	7,658	30,788
(including € 152k due to currency conversion; previous year: € 272k)		
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	10,368	6,960
b) Cost of purchased services	172,671	131,271
	183,039	138,231
Human resources expenses		
a) Wages and salaries	43,369	40,952
b) Social security charges and costs of retirement pensions and other welfare benefits	10,360	11,235
(including € 3,553k for retirement pensions; previous year: € 4,771k)		
	53,729	52,187
Depreciation on intangible and tangible fixed assets	18,625	16,626
Other operating expenses	56,004	38,974
(including other taxes: € 1,724k; previous year: € 1,709k)		
(including € 202k due to currency conversion; previous year: € 42k)		
Income from participations	4,141	7,179
(including € 641k from affiliated enterprises; previous year: € 1,179k)		
Income from long-term loans	105	419
(including € 105k from affiliated enterprises; previous year: € 418k)		
Other interest and similar income	80	200
Write-downs on financial assets	768	0
Interest and similar expenditure	2,169	2,150
(including € 772k impact on interest due to the valuation of accruals; previous year: € 854k)		
Taxes on income and profits	33,770	2,338
<b>Net income for the year</b>	<b>71,033</b>	<b>31,220</b>
Profit brought forward from the previous year	61,747	40,668
<b>Distributable profit</b>	<b>132,780</b>	<b>71,888</b>

# Movements in the Fixed Assets

of Messe Düsseldorf GmbH in the 2016 Business Year

	Cost of acquisition/manufacture					Depreciation				Book values	
	Status at 1.1.2016	Additions	Reclassi- fications	Retire- ments	Status at 31.12.2016	Status at 1.1.2016	Additions	Retire- ments	Status at 31.12.2016	Status at 31.12.2016	Status at 31.12.2015
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>Intangible assets</b>											
Concessions, industrial and similar rights and assets, and licences in such rights and assets	39,712	1,725	272	143	41,566	34,050	2,089	143	35,996	5,570	5,662
Advance payments made	1,346	2,198	-272	0	3,272	0	0	0	0	3,272	1,346
	<b>41,058</b>	<b>3,923</b>	<b>0</b>	<b>143</b>	<b>44,838</b>	<b>34,050</b>	<b>2,089</b>	<b>143</b>	<b>35,996</b>	<b>8,842</b>	<b>7,008</b>
<b>Tangible assets</b>											
Land, land rights and buildings, including buildings on third-party land	726,986	20,235	63,817	4,823	806,215	468,995	13,536	3,170	479,361	326,854	257,991
Other equipment, factory and office equipment	38,913	3,158	71	1,302	40,840	29,105	3,000	1,269	30,836	10,004	9,808
Advance payments made and assets under construction	70,420	6,108	-63,887	0	12,641	0	0	0	0	12,641	70,420
	<b>836,319</b>	<b>29,501</b>	<b>1</b>	<b>6,125</b>	<b>859,696</b>	<b>498,100</b>	<b>16,536</b>	<b>4,439</b>	<b>510,197</b>	<b>349,499</b>	<b>338,219</b>
<b>Financial assets</b>											
Shares in affiliated enterprises	62,791	0	0	21,698	41,093	49,878	768	13,421	37,225	3,868	12,913
Loans to affiliated enterprises	13,724	0	0	13,724	0	0	0	0	0	0	13,724
Participations	12,244	0	0	0	12,244	11,958	0	0	11,958	286	286
Other loans	43	3	0	26	20	0	0	0	0	20	43
	<b>88,802</b>	<b>4</b>	<b>0</b>	<b>35,451</b>	<b>53,357</b>	<b>61,836</b>	<b>769</b>	<b>13,424</b>	<b>49,179</b>	<b>4,174</b>	<b>26,966</b>
<b>Sum total</b>	<b>966,179</b>	<b>33,428</b>	<b>1</b>	<b>41,719</b>	<b>957,891</b>	<b>593,986</b>	<b>19,394</b>	<b>18,006</b>	<b>595,372</b>	<b>362,515</b>	<b>372,193</b>



# Notes

to the Balance Sheet and Income Statement of Messe Düsseldorf GmbH

## I. General principles

The annual financial statements of Messe Düsseldorf GmbH, Düsseldorf (entered in the Commercial Register of the Düsseldorf District Court/Amtsgericht under HRB No. 63) 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 11.5.2016, the shareholders passed a resolution to the effect that an amount of EUR 10,141k from the net income for 2015, totalling EUR 31,220k, be distributed with effect from 31.8.2016. The remaining net income for the year, amounting to EUR 21,079k, was carried forward to new account. The distributable profit figure at 31 December 2016 includes an amount totalling EUR 61,747k 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 ten years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of December 2016. Accruals for pensions pertaining to the previous year were discounted at the average market interest rate of the last seven years. For 2016, this interest rate was assumed to be 4.01 (previous year 3.89) 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 Section 274 subsection 1 sentence 2 HGB (Commercial Code) of capitalizing the surplus in deferred tax assets, amounting to EUR 477k (previous year: EUR 964k), was waived.

## III. Explanatory notes on the Balance Sheet

### Fixed assets

Apart from purchased software, the intangible assets mainly consist of usufructuary rights. The additions to this item mainly relate to the online order system that is currently being developed as well as to the introduction of a human resources management module. The additions to tangible assets are primarily attributable to additions to the buildings. The latter items mainly concern the Hall 10 and 11 conversion projects and the renovation of the main north-eastern cooling plant. The additions to operating and office

equipment relate principally to computer hardware. Facilities under construction primarily concern the construction of the new South Entrance and that of Exhibition Hall 1.

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 the retirement of the Stockumer Höfe warehouse, including the photovoltaic system, and that of the old north-eastern cooling plant.

The retirement in the financial assets sphere is largely due to the sale of the Company's shareholding in Veletrhy Brno a.s. and the repayment of the loan by Veletrhy Brno a.s. as of 31 March 2016. In a contract dated 22 December 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 purchase price of the bearer shares amounted to EUR 22.0 million less the subordinated loan of EUR 13.7 million.

The EUR 768k write-downs in financial assets relate to Messe Düsseldorf India Pvt. Ltd.

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, amounting to EUR 490k (previous year: EUR 260k). Furthermore, the receivables from affiliated enterprises include other assets amounting to EUR 1,513k.

### 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 2,053k increase in pension accruals with a net impact on results. The difference ensuing from the use for the first time of the 10-year average interest rate compared to the 7-year average interest rate resulted in a reduction in pension accruals. The discrepancy was recorded in the Company's operating result and had a corresponding net impact on profits.

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:

	1.1.2016	Amount utilized	Amount written back	Additions	31.12.2016
	€ '000	€ '000	€ '000	€ '000	€ '000
<b>1. Accruals for pensions and similar obligations</b>	<b>17,949</b>	<b>1,050</b>	<b>2,059</b>	<b>1,056</b>	<b>15,896</b>
<b>2. Tax accruals</b>	<b>5,843</b>	<b>1,372</b>	<b>1,140</b>	<b>9,715</b>	<b>13,046</b>
<b>3. Other accruals</b>					
<b>Risks associated with order processing</b>					
Maintenance and repairs	2,112	1,903	209	0	0
Outstanding invoices	12,122	11,376	639	16,711	16,818
Accruals for event-related losses	595	0	0	0	595
	<b>14,829</b>	<b>13,279</b>	<b>848</b>	<b>16,711</b>	<b>17,413</b>
<b>Human resources and the social sphere</b>					
Semiretirement scheme obligations	54	54	0	0	0
Accruals for vacations	1,965	1,965	0	2,267	2,267
Accruals for anniversaries	2,411	173	0	500	2,738
Accruals for bonuses	592	592	0	611	611
Miscellaneous accruals	907	687	13	9	216
	<b>5,929</b>	<b>3,471</b>	<b>13</b>	<b>3,387</b>	<b>5,832</b>
<b>Other accruals</b>					
Impending losses	0	0	0	10,276	10,276
Fiscal risks in foreign countries	16,400	0	1,650	0	14,750
Annual financial statements costs	312	304	8	290	290
Miscellaneous accruals	526	0	0	0	526
	<b>17,238</b>	<b>304</b>	<b>1,658</b>	<b>10,566</b>	<b>25,842</b>
	<b>37,996</b>	<b>17,054</b>	<b>2,519</b>	<b>30,664</b>	<b>49,087</b>
	<b>61,788</b>	<b>19,476</b>	<b>5,718</b>	<b>41,435</b>	<b>78,029</b>

#### Liabilities

Of total liabilities to banks, EUR 30,000k (previous year: EUR 30,000k) consisting of loan liabilities 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, the latter amount-

ing to EUR 390k (previous year: EUR 239k). Furthermore, the payables to affiliated enterprises include other liabilities deriving from cash pools with IGEDO Company amounting to EUR 2,092k (previous year: EUR 6,987k), with Messe Düsseldorf China amounting to EUR 10,004k (previous year: EUR 5,004k), and with Messe Düsseldorf North America amounting to EUR 2,846k (previous year: EUR 2,682k).

The Company's liabilities at 31.12.2016 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	30,129	30,129	0	0
Payments received on account	51,441	51,441	0	0
Trade payables	17,915	17,915	0	0
Payables to shareholders	22	22	0	0
Payables to affiliated enterprises	15,009	15,009	0	0
Other liabilities	8,507	4,846	2,150	1,511
	<b>123,023</b>	<b>119,362</b>	<b>2,150</b>	<b>1,511</b>

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
	<b>124,891</b>	<b>90,885</b>	<b>32,144</b>	<b>1,862</b>

#### IV. Explanatory notes on the Income Statement

##### Sales

Business segment	2016	2015
	€ '000	€ '000
Domestic events	359,509	192,822
Foreign events	32,294	39,512
Other sales revenue	15,108	10,458
	<b>406,911</b>	<b>242,792</b>

The sales revenue from abroad stems mainly from events in Russia, the People's Republic of China, and India. EUR 1,053k of sales (previous year: EUR 690k) are related to events of previous years. Due to the new arrangements made by the Accounting Directive Implementation Act (BilRUG), the previous year's figures are only to a limited extent comparable. The application of Section 277 para 1 HGB (German Commercial Code) in the BilRUG version would have produced a previous year's sales figure of EUR 245,455k. The increases mainly ensue from reclassification of amounts passed on to affiliated enterprises and the disclosure of the revenues from cafeteria operations in the sales figures.

##### Other operating income

Other operating income mainly consists of EUR 4,578k (previous year: EUR 17,935k) in the form of income deriving from write-backs of accruals. The non-operating items consist mainly of insurance refunds amounting to EUR 2,356k (previous year: EUR 140k), EUR 2,167k of which relates to the fire damage in the Stockumer Höfe warehouse.

##### 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 non-operating expenses, totalling EUR 12,418k (previous year: EUR 911k), are mainly due to the creation of accruals to cover the negative market values of the interest rate swaps and to the loss of the Stockumer Höfe warehouse photovoltaic system destroyed by fire. In addition, for the first time the future rental expenditure for areas of the P1 parking spaces was taken into account in a EUR 6,500k accrual for impending losses. The other taxes incurred in the business year concerned and shown as part of other operating expenses amount to EUR 1,724k (previous year: EUR 1,709k).

##### Income from participations

	2016	2015
	'000	'000
GEC German Exposition Corporation International GmbH	3,500	6,000
Messturm Düsseldorf Verwaltungsgesellschaft mbH	641	868
Messe Düsseldorf ASIA Pte. Ltd,	0	311
	<b>4,141</b>	<b>7,179</b>

##### Income from long-term loans

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

##### Write-downs of financial assets

The write-downs of financial assets amounting to EUR 768k relate to Messe Düsseldorf India Pvt. Ltd.

##### 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 772k (previous year: EUR 854k).

##### Taxes on income and business profits

The item mainly shows expenditure on corporation tax and trade tax for the business year under review, amounting to EUR 17,457k (previous year: EUR 1,414k) and EUR 17,076k (previous year: EUR 1,194k), respectively. As opposed to this, there is an item involving a write-back of tax accruals amounting to EUR 1,140k for tax pertaining to previous years.

##### Appropriation of profits

The management proposes that a EUR 6,500k portion of the net income for the year, totalling EUR 71,033k, be paid out as a dividend. The remaining sum amounting to EUR 64,533k should be carried forward to new account.

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

There have been no occurrences of any special significance since the end of the business year.

#### 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 (up to 31.3.2016)
- Brno INN a.s., Brno/Czech Republic (up to 31.3.2016)
- 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
- Messturm 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 four members of the management, on average 655 (previous year: 636) staff members were employed during the business year. The workforce is subdivided into 546 full-time employees (previous year: 520) and 109 part-time employees (previous year: 116). This number corresponds to a staff of 599 (previous year: 585) calculated on a full-time basis. In addition, the casual staff and apprentices employed numbered on average 393 (previous year: 240) and 16 (previous year: 15), respectively.

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**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, Düsseldorf (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 6,637k. The leasing agreement runs till 30 September 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 December 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 632k. The leasing agreement runs till 29 December 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 41,283k (previous year: EUR 48,543k).

Further obligations amounting to EUR 94k (previous year: EUR 114k) stemmed from the leasing rates payable in future; in addition, there were commitments totalling EUR 27,777k (previous year: EUR 35,687k) based on rental agreements and leases. Other financial obligations thus totalled EUR 70,217k (previous year: EUR 85,653k) on the balance-sheet date, EUR 64,573k (previous year: EUR 72,602k) of this sum being obligations vis-a-vis affiliated enterprises.

On the balance-sheet date, the Company's purchase commitments totalled EUR 150,896k (previous year: EUR 50,250k).

On the balance-sheet date, guarantees amounting to EUR 507k had been issued in favour of employees to cover employees' investment loans and to safeguard employee semiretirement schemes in the event of insolvency. In addition, there were guarantees amounting to EUR 16k 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 (RZVK), 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 discretionary right to report this - being a direct pension commitment (Art. 28 para 1 EGHGB/Introductory Act to the German Commercial Code) - as a liability having been exercised, as in past years, no accrual was set up.

The Supplementary Pension Fund (RZVK) levy shown on the Income Statement under human resources expenses amounts to EUR 2,914k for the year under review (previous year: EUR 3,260k). The contribution levied amounts to 4.25 percent of the remuneration on which contributions are payable - EUR 37,156 (previous year: EUR 35,125). In addition, a 3.5 percent financial reorganization charge is also imposed. The contribution rate can be regarded as remaining constant. The level of the financial reorganization charge is likely to increase even further pending the establishment of definitive capital cover for the supplementary pension system. The possibility of claims being lodged on the basis of contingent liabilities is viewed as being relatively small.

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**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 December 2016, Messe Düsseldorf GmbH had concluded a total of six (previous year: six) 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 total 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 estab-

lished (loan-related transactions concluded) totalled EUR -518k (previous year: EUR -2,739k) at 31 December 2016. As regards the interest rate swaps covering the three future loan transactions, due to the changed situation relating to interest rates no valuation unit can be set up at the moment. For this reason, a EUR 3,776k accrual has been created in respect of the market value to be covered.

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**Auditors' fees**

In accordance with Section 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.

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**Transactions contrary to market principles**

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

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**Disclosures regarding the Company's bodies**

The remuneration paid to the Managing Board of Messe Düsseldorf GmbH in the business year totalled EUR 1,710k (previous year: EUR 1,661k). The remuneration paid to former members of the Managing Board and their surviving dependants amounted to EUR 1,050k (previous year: EUR 1,095k).

An accrual amounting to EUR 10,694k (previous year: EUR 13,364k) 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 90k (previous year: EUR 81k).



# Messe Düsseldorf GmbH Group Management Report

for the Business Year 2016

## Explanations regarding the report

Pursuant to Section 315 subsection 3 HGB (Commercial Code), the present report comprises both the Management Report of the Messe Düsseldorf Group, consisting of Messe Düsseldorf GmbH and its consolidated subsidiaries and affiliates, and the Messe Düsseldorf GmbH Management Report.

## Basics

### Business model

The present-day Messe Düsseldorf GmbH was established on 7 January 1947 under the name of Nordwestdeutsche Ausstellungsgesellschaft mbH – NOWEA. Today, the Company counts 120 trade fair events encompassing a wide variety of sectors both at home and abroad in its product range and employs a workforce of more than 900 worldwide. Both in terms of sales and exhibition space rented out, the Group ranks among the world's largest trade fair organizers. On 31 December 2016, 13 companies in 7 countries belonged to the Messe Düsseldorf Group. The Messe Düsseldorf Group generates its highest foreign sales in Russia, China and India.

## Economic Survey

### Macroeconomic and sector-specific boundary conditions

In 2016, the world economy saw 2.3% growth, despite the impact of stagnating international trade, low capital investment, and the political uncertainty surrounding issues such as the outcome of the British referendum, the attempted putsch in Turkey, or the persistence of conflicts in Syria and Ukraine.

Only the industrial countries of the European Monetary Union defied the political risks with roughly 1.5% growth in their gross domestic product. In contrast to this, the business development of the emerging countries remained below expectations at economic growth of 3.5%. The crucial factor here was unfavourable economic development in South America, Russia, and the Mediterranean region and the Middle East. In contrast to this, the Chinese economy exhibited unexpectedly robust growth.

The German economy remains on an expansion course, with gross domestic product being successfully expanded by about 1.9%. Positive impulses have been provided by both private and state expenditure on consumption, the increase in the latter being attributable, among other things, to the high level of immigration.

As regards trade fairs, the year 2016 brought the German trade fair organization companies an exceptionally good year. The reason for this positive result was, among other things, the coming together of several major trade fairs with 3- and 4-year cycles. In terms of sales, in 2016 too, Messe Düsseldorf was one of the strongest trade fair locations in Germany. Roughly half of the annual international trade fairs are the key international fairs for their respective sectors. On the whole, in 2017 the industry is anticipating a slight increase in numbers of exhibitors and visitors compared to the respective predecessor events.

## The Messe Düsseldorf Group's business performance

### Sales and profitability situation

During the 2016 business year, Group sales increased from EUR 302,046k to EUR 442,806k. Despite the exit of Veletrhy Brno a.s. and Brno INN a.s. from the Group as of 31 March 2016, sales were successfully boosted by EUR 140,760k due to Messe Düsseldorf's very strong trade fair year.

90 percent of consolidated sales, totalling EUR 442,806k, were generated by Messe Düsseldorf. In light of the sale of Veletrhy Brno a.s. and Brno INN a.s. as of 31 March 2016, the foreign portion of consolidated sales fell by EUR 26,794k to EUR 73,102k. If the previous year's figures are adjusted to take the deconsolidation effects into account, the result is a EUR 2,134k decrease in foreign sales. The bulk of the latter were generated in Russia and China.

Due to trade fair rotation, event-related expenditure increased by EUR 33,593k. The EUR 4,123k decrease in human resources expenses was mainly due to the deconsolidation of the two Brno-based companies, with the pay increases agreed upon lessening the impact.

The Group's net earnings for the year after tax amounted to EUR 58,838k (previous year: EUR 10,256k). This improvement in profits mainly results from the fact that the 2016 trade fair year was a fairly strong one due to trade fair cycles. On the whole, the comparability of the earnings situation is affected by the deconsolidation of the two Brno-based companies as of 31 March 2016.

### Net asset position and financial situation

Compared with the previous year, the Messe Düsseldorf Group's total assets registered a slight 0.4 percent increase to EUR 672,059k (previous year: EUR 669,411k). As in the past, the Group's net asset position is predominantly characterized by the fixed assets item (63.2 percent) as well as by liquid resources (31.9 percent). Assets tied down in the long term are completely covered by funds available over the long term. The decrease in tangible assets is primarily due to the deconsolidation of the two Czech companies.

On the equity and liabilities side, Group equity increased from EUR 423,914k to EUR 439,750k. This corresponds to an equity ratio of 65.4 percent (previous year: 63.2 percent). Accruals rose by EUR 15,002k, to EUR 80,642k, compared to the previous year. In addition to accruals for pensions and tax accruals they mainly comprise accruals for outstanding invoices, impending losses, other human resources costs, and tax risks relating to Messe Düsseldorf GmbH's foreign business. Payments received on account decreased by EUR 7,225k to EUR 58,572k.

Due to trade fair rotation, the strong trade fair year had a positive impact on the Group's financial situation, this being offset by reductions in cash and cash equivalents brought about by the deconsolidation of Veletrhy Brno a.s. and Brno INN a.s. At 31 December 2016, the Group's total cash and cash equivalents had increased by EUR 81,894k to EUR 214,637k. In this respect, the reader's attention is drawn to the Consolidated Cash Flow Statement attached hereto as Annex 1.3.

### Liquidity

In addition to the three long-term loans totalling EUR 30,000k, Messe Düsseldorf GmbH has a credit line of EUR 7,500k, EUR

616k of which had been drawn upon at 31 December 2016. The long-term loans totalling EUR 30,000k are due in March, April and May 2017. On the whole, the Company was at all times in a position to settle its liabilities.

The Group's net worth, financial situation and profitability give an accurate picture corresponding to the Company's actual circumstances, and thus reflecting what was, on the whole, a successful financial year for Messe Düsseldorf.

## Messe Düsseldorf GmbH's business performance

### Sales and profitability situation

2016 proved to be a strong exhibition year for Messe Düsseldorf GmbH due to trade fair cycles, the dates of the two key fairs, drupa and K, coinciding in their different cycles. In the 2016 business year, the Company organized 31 events of its own, including guest events, on 1,308,304 square metres of net hall space rented out, these events being attended by 32,383 exhibitors and roughly 1.6 million visitors. Various key international trade fairs drove the trend in sales. Alongside the annual No. 1 MEDICA, ProWein, CARAVAN SALON and boot events, drupa, k, wire, Tube and glasstec 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 drupa with its 1,823 exhibitors and 260,165 visitors, and K with 3,293 exhibitors and more than 232,000 visitors.

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

	2016	2015
Fairs and exhibitions		
Own events	19	18
Guest events	12	11
Net floor space rented out	1,308,304 m <sup>2</sup>	891,054 m <sup>2</sup>
Number of exhibitors	32,383	25,819
Number of visitors	1,591,424	1,084,121

As regards the Company's own events, the extremely strong trade fair year meant that attendance by visitors was, as was to be expected, up 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 0.4 percent higher than those of the previous events, with net floor space rented out being 1.6 percent up. Only the numbers of visitors were 2.7 percent lower than those of the predecessor events.

In the case of the guest events, the picture was a more low-key one. Here, the indicators comprising numbers of visitors, numbers of exhibitors and areas of floor space rented out remained below the level of 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 70.9 (previous events: 69.6 percent), with that of foreign visitors coming to 44.8 percent (previous events: 26.3 percent). The highest ratios of foreign visitors were registered by the drupa trade fair (75.3 percent) and K (70.8 percent). The largest percentages of foreign exhibitors were registered by the ProWein trade fair (84.4 percent), followed by Tube (74.9 percent), drupa (71.4 percent), and glasstec (71.1 percent).

As regards international trade fair business, Messe Düsseldorf GmbH can look back on a successful business year, organizing 27 events on commission and 18 self-sponsored events and participations. The bulk of these events were staged in Russia, China, and India.

Due to the new arrangements made by the Accounting Directive Implementation Act (BilRUG), Messe Düsseldorf's sales figures, amounting to EUR 406,911k, are only to a limited extent comparable. The application of Section 277 para 1 HGB (German Commercial Code) in the BilRUG version would have produced a previous year's sales figure of EUR 245,455k. The item comprising other operating income mainly embodies the impact of the write-back of accruals and insurance refunds. The other operating expenses were affected by the creation of

accruals to cover the negative market values of the interest rate swaps and to cover the loss of the Stockumer Höfe warehouse photovoltaic system destroyed by fire. In addition, for the first time the future rental expenditure for areas of the P1 parking spaces was taken into account in a EUR 6,500k accrual for impending losses.

#### Net asset position and financial situation

Compared to the previous year, Messe Düsseldorf's total net assets have increased by 14.9 percent to EUR 580,855k (previous year: EUR 505,589k). Fixed assets are mainly characterized by real estate and buildings and also financial assets. The increase in tangible fixed assets is predominantly due to additions to buildings, mainly relating to the conversion of Halls 10 and 11 and the renovation of the north-eastern cooling plant. Plants under construction mainly relate to the construction of the new South Entrance and Exhibition Hall 1. Liquid resources saw a EUR 84,250k increase to EUR 187,840k in the course of the business year.

On the liabilities side, the Company's equity registered a EUR 71,033k increase as a result of the annual net profit attained, but was simultaneously reduced by EUR 10,141k as a result of the dividend payout, so that at 31 December 2016, a Company equity figure of EUR 379,802k was recorded, this having increased by EUR 60,892k. This corresponds to an equity ratio of 65.4 percent (previous year: 63.0 percent). If the proposal for appropriation of the 2016 profit, amounting to EUR 6,500k, is taken into account, this leads to a 1.1 percent reduction in the equity ratio. In addition to the three long-term loans totalling EUR 30,000k, Messe Düsseldorf GmbH has a credit line of EUR 7,500k, EUR 616k of which has been drawn upon. As a result of the 2017 trade fair year being weaker due to trade fair cycles, the receipts from payments made on account are EUR 8,464k down on those of the previous year, taking them to a figure of EUR 51,442k. In addition to accruals for pensions and tax accruals, the accruals of EUR 78,029k mainly comprise accruals for outstanding invoices, maintenance, other human resources costs, and tax risks relating to Messe Düsseldorf GmbH's foreign business.

Messe Düsseldorf GmbH's cash and cash equivalents increased by EUR 84,250k, from EUR 103,590k to a level of EUR 187,840k.

#### Liquidity

In the year under review, the improvement in Messe Düsseldorf GmbH's liquidity situation was mainly influenced by the strength of the trade fair year and by the receipt of EUR 22 million from the repayment of the loan and the sale of Veletrhy Brno a.s. This was partly offset by capital investment on fixed assets amounting to EUR 33,427k.

The Company's net worth, financial situation and profitability give an accurate picture corresponding to the Company's actual circumstances, thus reflecting the overall success of Messe Düsseldorf's business year.

#### Business performance of the Group's international subsidiaries

Up to 31 March 2016, Messe Düsseldorf GmbH had a 61 percent stake in Veletrhy Brno a.s. Other shareholders were the City of Brno, holding 34 percent, and several minority shareholders holding 5 percent of the shares. In a contract dated 22 December 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 it (76,770,000 in number). As of 31 March 2016, all the principal suspensory conditions laid down in the contract of sale were met. The purchase price of the bearer shares amounted to EUR 22.0 million less the subordinated loan of EUR 13.7 million.

The business objective of Veletrhy Brno is essentially to arrange participations in trade fairs and exhibitions and to organize fairs and trade fair participations at the company's own exhibition site in Brno. In the first quarter of 2016, the company returned a net loss for the year of – EUR 905k (previous year: – EUR 187k), while generating sales of EUR 8,101k (previous year: EUR 32,988k). Owing to the shortened 3-month period in 2016, the figures are only comparable to those of the previous year to a limited extent.

Brno INN, in which Veletrhy Brno holds a majority of the shares, operates the Holiday Inn Hotel situated on the Brno exhibition site, thus contributing to the quality of service to exhibitors and visitors at the Brno site. In the first quarter of 2016, the company reported sales of EUR 837k (previous

year: EUR 3,908k) while returning a negative result of EUR -54k (previous year: EUR 149k). Owing to the shortened 3-month period in 2016, the figures are only comparable to those of the previous year to a limited extent.

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 and also to organize and stage trade fairs, exhibitions and similar events in the American region. The successive establishment of events in the USA has increasingly made sales less dependent on the rotation of events in Düsseldorf. Despite the EXPOMIN having made relatively poor progress, the strength of the parent company's trade fair year meant that the result was somewhat above the level of the previous year. While sales amounted to EUR 7,787k (previous year: EUR 4,547k), the company's net profit for the year was successfully boosted by EUR 552k to a figure of EUR 856k.

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 2016 business year saw sales drop to EUR 4,678k due to trade fair cycles (previous year: EUR 6,532k), while net profit for the year fell to EUR 425k (previous year: EUR 764k).

In the year under review, the sales revenue of 000 Messe Düsseldorf Moscow increased to EUR 5,957k (previous year: EUR 5,555k). The company returned a slightly reduced net profit for the year, amounting to EUR 446k (previous year: EUR 460k). The object of the company is to organize and stage trade fairs, exhibitions and similar events in Russia. On the whole, the company is continuing to suffer 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) Co., Ltd. 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, both in Germany and in

China, being a relatively strong one, the group's sales saw an increase from EUR 8,450k to EUR 13,931k. Net profit for the year also increased - to EUR 5,076k (previous year: EUR 3,755k).

**Business performance of the Group's national subsidiaries**

In the 2016 business year, IGEDO Company GmbH & Co. KG generated sales totalling EUR 8,934k (previous year: EUR 10,238k), while returning a net loss for the year of - EUR 1,214k (previous year: a loss of - EUR 1,613k). The decline in sales was still attributable to the difficult business environment in Russia.

Düsseldorf Congress Sport & Event GmbH, a 50-percent subsidiary of Messe Düsseldorf 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 35,519k (previous year: EUR 30,808k), while the company returned a profit of EUR 106k for the year (previous year: EUR 110k).

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 remained at a level of EUR 2,753k, sales overall increasing due to higher incidental expenses. At EUR 611k, the company's annual result was slightly below the level of the previous year (previous year: EUR 634k).

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 (Tower) 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 profit for the year of EUR 1k (previous year: - EUR 1k), while generating sales of EUR 4,676k (previous year: EUR 4,674k).

**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 GmbH has, for years, been continually improving its standards of service and quality. Furthermore, the Group is determinedly pursuing the strategic course that it has set for itself. The aims of this course are to safeguard and develop the trade fair programme at the Düsseldorf site and to expand international business by means of the Group's own activities or in joint ventures with partners. To this end, with the exception of a few fairs for high-quality consumer goods, Messe Düsseldorf GmbH is concentrating its activities on exhibitions covering capital goods. The goal is to become the number one company as regards the organization of capital goods trade fairs. A prerequisite for this is highly-capable staff - which is why Messe Düsseldorf invests in good training and advanced training schemes and a high standard of occupational safety.

On average, throughout the 2016 business year, the Group employed a staff of 932 worldwide (previous year: 1,207). 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.

2015 saw the coming into force of the "Law on Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector". On the basis of the requirements that this law entails, both the Supervisory Board and the Company's general meeting are both endeavouring to take women into consideration as appropriate. Considering the work of the current management body and the terms of the service contracts, the general meeting currently sees neither a legal possibility nor a practical necessity for implementing this quota for women. For that reason, a target quota of 0 percent was laid down for management and, simultaneously, a resolution was adopted to the effect that the matter should be reconsidered in 2017. As regards the Supervisory Board, the target figure for the proportion of women was set at 28 percent. For the two levels of management below the Management Board, the management adopted a resolution laying down a 25 percent quota for women.

**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 or opportunities so as to enable countermeasures or mitigating action to be initiated in good time. The risk management system is managed by the company's internal auditing body and is closely linked to Messe Düsseldorf's internal monitoring system. All these systematic monitoring operations have, in their entirety, the aim of guaranteeing the security and efficiency of business operations, the reliability of financial reporting, and the conformity of all Company activities with statutes and regulations.

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.

In the risk committee, the risks reported by the risk owners are evaluated and discussed. Subsequently, the risk committee chairperson reports directly to the management.

**Risks**

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

Risks identified at 31 December 2016:

Probability of materialization	Level of loss		
	Low	Relevant	Critical
Very high (75%-100%)	-	1	-
High (50%-75%)	(2)	4 (2)	-
Medium (25%-50%)	-	-	-
Low (0%-25%)	-	-	-

The numbers set in brackets relate to the risks identified with regard to Messe Düsseldorf GmbH.



The risk identified as being relevant, with a high probability of materialization, relates to the decision taken by a guest organizer to concentrate the annual event held at two alternating sites in one event location.

The risks associated with a relevant level of loss and with a high probability of materialization consist of sales and operating risks. The sales risks are mainly associated with reductions in the floor space rented out and in the numbers of exhibitors and visitors.

The situation in Russia, which remains difficult, and the low 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 that region. The wait-and-see attitude on the part of the exhibitors affects both Messe Düsseldorf GmbH and its subsidiaries.

The various risks in the emerging countries have been concentrated into one country-related risk. The low level of loss affecting Messe Düsseldorf in relation to this one country is intensified via the Group's subsidiaries so as to make it a relevant risk. The risk associated with digital transformation affects all trade fair locations in equal measure. Messe Düsseldorf has identified a diversity of individual operating measures and started on their successive implementation in 2016.

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 December 2016, Messe Düsseldorf GmbH had concluded a total of six (previous year: six) 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 2016	2016 results	Forecast for 2017
Sales (€ '000)	423,085	442,806	330,529
Net pre-tax profit for the year (€ '000)	39,978	94,517	32,834
Capital expenditure on fixed assets* (€ '000)	51,826	44,339	62,627

\* Including repairs and maintenance

The 2016 consolidated result is mainly affected by the de-consolidation of Veletrhy Brno a.s. and Brno INN a.s. The other deviations mainly concern the parent company.

Messe Düsseldorf GmbH	Forecast for 2016	2016 results	Forecast for 2017
Sales (€ '000)	380,140	406,911	301,335
Net pre-tax profit for the year (€ '000)	76,914	104,803	31,270
Capital expenditure on fixed assets* (€ '000)	50,173	50,408	62,514

#### Own events

Net hall space rented out (m <sup>2</sup> )	1,057,331	1,052,955	809,149
Numbers of exhibitors	27,570	28,125	23,013
Numbers of visitors	1,446,075	1,468,746	1,128,300

\* Including repairs and maintenance

Messe Düsseldorf GmbH's positive deviations in respect of sales are mainly due to the good progress made in the Company's own events - in particular, the key international fairs drupa and K went off better than expected. In addition, unscheduled write-backs of accruals and the insurance refunds ensuing from the Stockumer Höfe warehouse fire both contributed to an improved result in 2016.

Due to the very good trade fair year, Group sales revenue increased to EUR 406,911k compared to the 2016 forecast. 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 business situation in Russia. 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. The reduction in accruals for pensions, the insurance refunds ensuing from the Stockumer Höfe warehouse fire, and the fact that overheads were lower than those scheduled intensified the positive impact on profitability.

In the 2017 trade fair year, the Messe Düsseldorf Group is expecting sales revenue of roughly EUR 331k. With a scheduled number of 27 events in Düsseldorf alone, Messe Düsseldorf is anticipating sales of EUR 301k and a net pre-tax profit for the year of approximately EUR 31k. It is above all the key trade fairs - interpack, EuroShop, MEDICA, boot, and CARAVAN SALON - that will have a crucial impact on sales. By comparison, due to trade fair rotation, the year 2018 that follows is again set to be one with a relatively low event frequency.

#### Opportunity report

An integral part of the business concept is a master plan for the modernization of the exhibition site, covering all the halls and conference rooms on the site. The solid 2016 annual result provides a further financial basis for this plan. As has already been the case in previous years, the bulk of the Company's operating cash flow has again been channelled into the modernization of the Düsseldorf exhibition site. In concrete terms, by the end of 2016, Messe Düsseldorf had completely rebuilt or modernized 11 of the 19 halls.

The reconstruction of Hall 1 (currently Halls 1 and 2) is to be tackled after the 2017 interpack. Similarly, the go-ahead has been given for the redesign of the CCD South. With the new, state-of-the-art South Entrance directly on the bank of the Rhine, Messe Düsseldorf is giving a strong architectural signal and establishing high functional standards. The sum total of the capital investment in the master plan serving as a basis for this will amount to EUR 648k by the year 2030. By the end of 2017, a good EUR 225k will have been invested in new projects and in projects involving the conversion of existing halls. All these building projects will be carried out without any public subsidies.

2017 will completely take its cue from the key international trade fair interpack. For this industry, no other trade fair in the world replicates the entire value-added chain as this one does - with tailor-made solutions and innovative concepts for all sectors, ranging from food, beverages, baked goods and confectionery to pharmaceuticals and cosmetics, and even including non-food and industrial goods. Under the "interpack alliance" label, all international events belonging to the packaging & processing sector are focused upon in a manner that gives them enhanced visibility, and positioned as part of a uniform and globally-encompassing brand strategy. The interpack is sold out. The exhibitors, approximately 2,700 in number, will be expecting roughly 170,000 visitors.

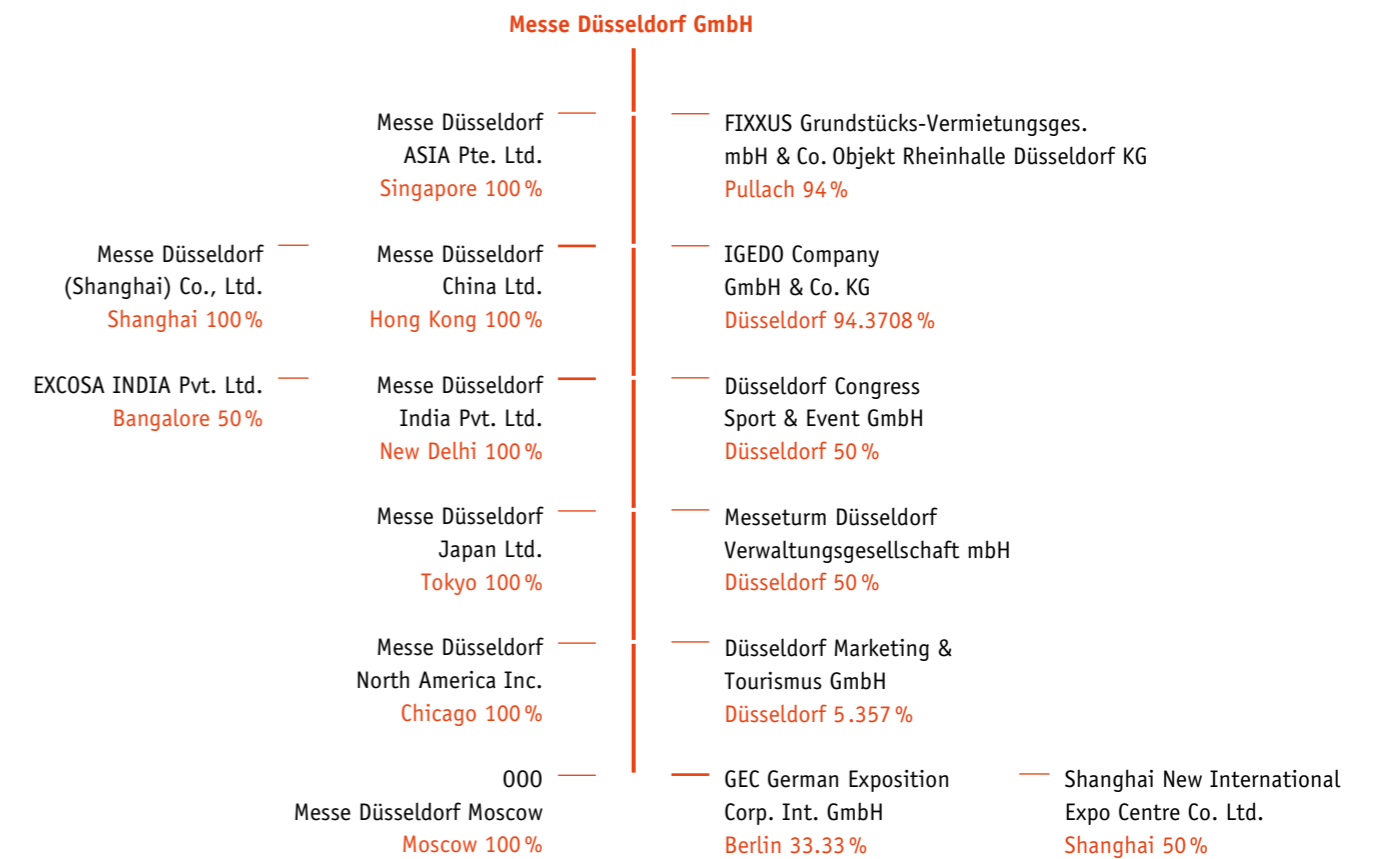
Statement regarding compliance with the Company's public objective and the attainment of the goal set in accordance with section 108 subsection 3 item 2 GO NRW (Local Authorities Code for the Land of North Rhine-Westphalia)

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.



# The Messe Düsseldorf GmbH Group



# Consolidated Balance Sheet

of Messe Düsseldorf GmbH at 31 December 2016

Assets	31.12.2016	31.12.2015
	€ '000	€ '000
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Concessions, industrial and similar rights and assets, and licences in such rights and assets	6,331	7,751
Advance payments made	3,272	1,415
	<b>9,603</b>	<b>9,166</b>
<b>Tangible assets</b>		
Land, land rights and buildings, including buildings on third-party land	390,541	406,863
Technical equipment and machines	0	346
Other equipment, factory and office equipment	10,684	12,060
Advance payments made and assets under construction	12,641	70,438
	<b>413,866</b>	<b>489,707</b>
<b>Financial assets</b>		
Shares in affiliated enterprises	26	903
Shares in associated enterprises	930	877
Participations	0	1
Other loans	42	2,362
	<b>998</b>	<b>4,143</b>
	<b>424,467</b>	<b>503,016</b>
<b>Current assets</b>		
<b>Inventories</b>		
Raw materials, auxiliary materials and supplies	128	151
Finished goods and merchandise	24	399
	<b>152</b>	<b>550</b>
<b>Receivables and other assets</b>		
Trade receivables	11,034	6,023
Receivables from affiliated enterprises	33	13
Receivables from associated enterprises	906	1,130
Other assets	14,299	11,233
	<b>26,272</b>	<b>18,399</b>
<b>Securities</b>	<b>0</b>	<b>9,999</b>
<b>Cash-in-hand, bank balances</b>	<b>214,637</b>	<b>132,743</b>
	<b>241,061</b>	<b>161,691</b>
<b>Prepaid expenses</b>	<b>6,530</b>	<b>4,704</b>
	<b>672,058</b>	<b>669,411</b>

Equity and liabilities	31.12.2016	31.12.2015
	€ '000	€ '000
<b>Equity</b>		
Subscribed capital	15,625	15,625
Capital reserves	79,718	79,718
Other revenue reserves	119,773	121,331
Difference in equity due to currency translation	532	4,216
Adjusting item for minority interests	1,661	29,702
Consolidated distributable profit	222,440	173,322
	<b>439,749</b>	<b>423,914</b>
<b>Accruals</b>		
Accruals for pensions and similar obligations	16,231	18,293
Tax accruals	13,653	6,145
Other accruals	50,758	41,202
	<b>80,642</b>	<b>65,640</b>
<b>Liabilities</b>		
Liabilities to banks	39,408	59,474
Advance payments received in respect of orders	58,572	65,797
Trade payables	18,679	10,371
Payables to shareholders	22	5
Payables to affiliated enterprises	68	657
Other liabilities	34,666	42,334
(of which taxes: € 1,794k; previous year: € 856k)		
(of which relating to social security and similar obligations: € 3k; previous year: € 187k)		
	<b>151,415</b>	<b>178,638</b>
<b>Deferred tax liabilities</b>	<b>252</b>	<b>1,219</b>
	<b>672,058</b>	<b>669,411</b>

# Consolidated Income Statement

of Messe Düsseldorf GmbH for the Period from 1 January to 31 December 2016

	31.12.2016	31.12.2015
	€ '000	€ '000
Sales	442,806	302,046
Own work capitalized	292	559
Other operating income	8,566	9,014
Event-related expenses		
a) Cost of raw materials, auxiliary materials and supplies, and of purchased merchandise	11,688	11,260
b) Cost of purchased services	179,203	146,038
	190,891	157,298
Human resources expenses		
a) Wages and salaries	50,913	52,995
b) Social security charges and costs of retirement pensions and other welfare benefits (including € 3,561k for retirement pensions; previous year: € 4,867k)	12,295	14,336
	63,208	67,331
Depreciation on intangible and tangible fixed assets	26,399	28,051
Other operating expenses	73,770	45,297
Net income from participations	3,500	6,000
Net income from shareholdings in associated enterprises	53	54
Income from long-term loans	1	1
Other interest and similar income	166	591
Write-downs of financial assets and investments classified as current assets	768	0
Interest and similar expenditure	5,832	6,897
Taxes on income and profits	35,679	3,135
<b>Consolidated net profit for the year</b>	<b>58,837</b>	<b>10,256</b>
Portion of loss/profit accruing to minority interests	-1,027	322
Profit brought forward from the previous year	164,630	162,744
<b>Consolidated distributable profit</b>	<b>222,440</b>	<b>173,322</b>

# Movements in the Consolidated Fixed Assets

of Messe Düsseldorf GmbH in the 2016 Business Year

	Cost of acquisition/manufacture						Depreciation						Book values		
	Status at 1.1.2016 € '000	Currency translation € '000	Changes in the consolidation scope	Additions € '000	Reclassifications € '000	Retirements € '000	Status at 31.12.2016 € '000	Status at 1.1.2016 € '000	Currency translation € '000	Changes in the consolidation scope	Additions € '000	Retirements € '000	Status at 31.12.2016 € '000	Status at 31.12.2016 € '000	Status at 31.12.2015 € '000
<b>Intangible assets</b>															
Concessions, industrial property rights and similar rights and assets, and licences in such rights and assets	56,139	118	-6,199	1,746	299	280	51,823	48,388	99	-5,654	2,939	280	45,492	6,331	7,751
Goodwill	20,178	0	-15,948	0	0	0	4,230	20,178	0	-15,948	0	0	4,230	0	0
Advance payments made	1,415	0	-76	2,232	-299	0	3,272	0	0	0	0	0	3,272	1,415	
<b>Total intangible assets</b>	<b>77,732</b>	<b>118</b>		<b>3,978</b>	<b>0</b>	<b>280</b>	<b>59,325</b>	<b>68,566</b>	<b>99</b>		<b>2,939</b>	<b>280</b>	<b>49,722</b>	<b>9,603</b>	<b>9,166</b>
<b>Tangible assets</b>															
Land, land rights and buildings, including buildings on third-party land	1,021,407	-189	-170,514	20,235	63,817	4,823	929,933	614,544	-94	-92,012	20,125	3,171	539,392	390,541	406,863
Technical equipment and machines	2,198	-3	-2,193	0	0	1	1	1,852	-2	-1,873	25	1	1	0	346
Other equipment, factory and office equipment	67,895	21	-22,107	3,449	78	1,764	47,572	55,835	31	-20,585	3,310	1,703	36,888	10,684	12,060
Advance payments made and assets under construction	70,438	0	-61	6,159	-63,895	0	12,641	0	0	0	0	0	12,641	70,438	
<b>Total tangible fixed assets</b>	<b>1,161,938</b>	<b>-171</b>	<b>-194,875</b>	<b>29,843</b>	<b>0</b>	<b>6,588</b>	<b>990,147</b>	<b>672,231</b>	<b>-65</b>	<b>-114,470</b>	<b>23,460</b>	<b>4,875</b>	<b>576,281</b>	<b>413,866</b>	<b>489,707</b>
<b>Financial assets</b>															
Shares in affiliated enterprises	2,251	0	-150	0	0	0	2,101	1,348	0	-41	768	0	2,075	26	903
Shares in associated enterprises	877	0	0	53	0	0	930	0	0	0	0	0	930	877	
Participations	13,276	-2	-1,316	0	0	0	11,958	13,275	-2	-1,315	0	0	11,958	0	1
Loans to affiliated enterprises	237	0	-237	0	0	0	0	237	0	-237	0	0	0	0	
Other loans	2,362	-3	-2,347	56	0	26	42	0	0	0	0	0	42	2,362	
<b>Total financial assets</b>	<b>19,003</b>	<b>-5</b>	<b>-4,050</b>	<b>109</b>	<b>0</b>	<b>26</b>	<b>15,031</b>	<b>14,860</b>	<b>-2</b>	<b>-1,593</b>	<b>768</b>	<b>0</b>	<b>14,033</b>	<b>998</b>	<b>4,143</b>
<b>Sum total</b>	<b>1,258,673</b>	<b>-58</b>	<b>-198,925</b>	<b>33,930</b>	<b>0</b>	<b>6,894</b>	<b>1,064,503</b>	<b>755,657</b>	<b>32</b>	<b>-116,063</b>	<b>27,167</b>	<b>5,155</b>	<b>640,036</b>	<b>424,467</b>	<b>503,016</b>

# Notes to the Consolidated Balance Sheet and Income Statement

of Messe Düsseldorf GmbH

## I. General principles

The consolidated financial statements of Messe Düsseldorf GmbH (entered in the Commercial Register of the Düsseldorf District Court/Amtsgericht under HRB No. 63) have been prepared in compliance with the mercantile law provisions for large joint-stock companies. Pursuant to Section 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
- 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

The following two companies were deconsolidated as of 31 March 2016:

- Veletrhy Brno a.s., Brno /Czech Republic
- Brno INN a. s., Brno / Czech Republic

Pursuant to Section 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 Section 312 HGB, the shareholding in Düsseldorf Congress Sport & Event GmbH, Düsseldorf, has been included in the consolidated financial statements at equity. At 31 December 2016, the equity of Düsseldorf Congress Sport & Event GmbH totalled EUR 1,859k (previous year: EUR 1,753k), the company's balance-sheet value amounting to EUR 930k (previous year: EUR 877k).

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 Section 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 December 2008. Pursuant to Section 301 subsection 1 sentence 2 HGB, the revaluation method has been applied for consolidation since 1 January 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 December 2016, all items of goodwill had been written off completely.

Pursuant to Section 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 October 2012, Messe Düsseldorf acquired the remaining shares in Messe Düsseldorf China Ltd., amounting to 20 percent of the total, for a purchase price of EUR 3,500k. As part of the initial consolidation of the shares acquired, the Group acquired an intangible right to a trade fair for a sum of EUR 3,138k, which 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 92k 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, subgroup as the latter company is the sole shareholder of Messe Düsseldorf Shanghai.

In a contract dated 22 December 2015, Messe Düsseldorf sold 61 percent 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 it (76,770,000 in number). As of 31 March 2016, all the principal suspensory conditions laid down in the contract of sale were met. The purchase price of the bearer shares amounted to EUR 22.0 million less the subordinated loan of EUR 13.7 million. Accordingly, Veletrhy Brno a.s. and Brno INN a. s., in which the former company had a majority shareholding, were deconsolidated as of 31 March 2016. The repercussions of this on the Group's equity are presented in the statement of changes in equity.

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 Section 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 ten years, applicable to an assumed remaining term of 15 years, as published by the Deutsche Bundesbank (German Federal Bank) for the month of December 2016. The previous year's accruals for pensions were discounted at the average market interest rate of the last seven years. This interest rate was presumed to be 4.01 (previous year: 3.89) 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 usufructuary rights. The additions to this item mainly relate to the online order system that is currently being developed as well as to the introduction of a human resources management module. The additions to tangible assets are primarily attributable to additions to the buildings. The latter items mainly concern the Hall 10 and 11 conversion projects and the renovation of the main north-eastern cooling plant. The additions to operating and office equipment relate principally to computer hardware. Facilities under construction primarily concern the construction of the new South Entrance and that of Exhibition Hall 1.

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 the retirement of the Stockumer Höfe warehouse, including the photovoltaic system, and that of the old north-eastern cooling plant.

The EUR 768k write-down of financial assets relates to Messe Düsseldorf India Pvt. Ltd.

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 Section 264b HGB and waive the disclosure of their annual financial statements.

##### Receivables and other assets

Trade receivables do not include any receivables with a remaining term of more than one year (previous year: EUR 59k).

Other assets include receivables in the amount of EUR 105k (previous year: EUR 127k) with a remaining term of more than one year.

The receivables from affiliated enterprises relate to trade receivables from the subsidiaries that, pursuant to Section 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 1,057k increase in pension accruals with a net impact on results. The difference due to the application of the 10-year average rate of interest for the first time as opposed to the 7-year average rate results in a EUR 1,420k reduction in pension accruals. The differing amount was disclosed in the operating result and thus had a net impact on Company profit. 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:

	1.1.2016	Amount utilized	Currency translation	Change in the consolidation scope	Amount written back	Additions	31.12.2016
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>1. Accruals for pensions and similar commitments</b>	<b>18,293</b>	<b>1,050</b>	<b>0</b>	<b>0</b>	<b>2,069</b>	<b>1,057</b>	<b>16,231</b>
<b>2. Tax accruals</b>	<b>6,145</b>	<b>1,587</b>	<b>2</b>	<b>0</b>	<b>1,225</b>	<b>10,318</b>	<b>13,653</b>
<b>3. Other accruals</b>							
<i>Risks associated with order processing</i>							
Maintenance and repairs	2,156	1,947	0	0	209	0	0
Outstanding invoices	12,865	11,948	9	-295	735	17,189	17,085
Impending losses	595	0	0	0	0	10,276	10,871
	<b>15,616</b>	<b>13,895</b>	<b>9</b>	<b>-295</b>	<b>944</b>	<b>27,465</b>	<b>27,956</b>
<i>Human resources and the social sphere</i>							
Semiretirement scheme obligations	54	54	0	0	0	0	0
Accruals for vacations	2,078	2,069	8	-163	0	2,463	2,317
Accruals for anniversaries	2,411	173	0	0	0	500	2,738
Accruals for bonuses	703	666	14	0	13	688	726
Miscellaneous accruals	1,792	800	1	-712	13	181	449
	<b>7,038</b>	<b>3,762</b>	<b>23</b>	<b>-875</b>	<b>26</b>	<b>3,832</b>	<b>6,230</b>
<i>Other accruals</i>							
Fiscal risks in foreign countries	16,400	0	0	0	1,650	0	14,750
Annual financial statements costs	494	489	3	0	8	450	450
Miscellaneous accruals	1,654	1,070	2	-92	0	878	1,372
	<b>18,548</b>	<b>1,559</b>	<b>5</b>	<b>-92</b>	<b>1,658</b>	<b>1,328</b>	<b>16,572</b>
	<b>41,202</b>	<b>19,216</b>	<b>37</b>	<b>-1,262</b>	<b>2,628</b>	<b>32,625</b>	<b>50,758</b>
	<b>65,640</b>	<b>21,853</b>	<b>39</b>	<b>-1,262</b>	<b>5,922</b>	<b>44,000</b>	<b>80,642</b>

## Liabilities

The Group's liabilities at 31.12.2016 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	39,408	30,129	0	9,279
Payments received on account	58,572	58,539	33	0
Trade payables	18,679	18,679	0	0
Payables to shareholders	22	22	0	0
Payables to affiliated enterprises	68	68	0	0
Other liabilities	34,666	9,426	18,573	6,667
	<b>151,415</b>	<b>116,863</b>	<b>18,606</b>	<b>15,946</b>

The Group'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	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
	<b>178,638</b>	<b>95,131</b>	<b>63,091</b>	<b>20,416</b>

Of total liabilities to banks, EUR 30,000k (previous year: EUR 30,000k) 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 7,502k (previous year: EUR 8,275k) based on consolidation entries pursuant to Section 306 HGB, having an impact on the result and concerning the parent company in particular. In accordance with Section 274 HGB, this sum was set off against deferred tax assets of the parent company's, amounting to EUR 7,250k (previous year: EUR 7,526k). The latter ensue from differences between the commercial-law and fiscal balance-sheet valuations of shares in affiliated enterprises, participations and accruals. As in the previous year, a tax rate of 31.23 percent is applied.

**V. Explanatory notes on the Income Statement**

As a result of the deconsolidation of Veletrhy Brno a. s. and Brno INN a. s., the previous year's Income Statement figures are comparable with one another only to a limited extent.

**Sales**

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

Business segment	2016 €'000	2015 €'000
Trade fair business	441,982	298,240
Hotel management	824	3,806
	<b>442,806</b>	<b>302,046</b>
Region	2016 €'000	2015 €'000
<b>Germany</b>	<b>369,704</b>	<b>202,150</b>
Russia	27,994	31,281
China	18,615	13,719
USA	6,422	3,650
Czech Republic	6,998	31,658
Singapore	4,244	6,059
India	2,436	3,935
Other countries	6,393	9,594
<b>Total foreign sales</b>	<b>73,102</b>	<b>99,896</b>
	<b>442,806</b>	<b>302,046</b>

Due to the new arrangements made by the Accounting Directive Implementation Act (BilRUG), the previous year's sales revenue figures are only to a limited extent comparable. The application of Section 277 para 1 HGB (German Commercial Code) in the BilRUG version would have produced a previous year's sales figure of EUR 303,459k.

**Other operating income**

Non-period income mainly consists of income deriving from write-backs of accruals amounting to EUR 4,697k (previous year: EUR 4,244k). The non-operating expenses, totalling EUR 12,418k (previous year: EUR 911k), are mainly due to the EUR 14,031k Veletrhy Brno a.s. and Veletrhy Brno a.s. deconsolidation loss, to the creation of accruals to cover the negative market values of the interest rate swaps and to the loss of the Stockumer Höfe warehouse photovoltaic system destroyed by fire.

**Event-related expenses**

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

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

**Other operating expenses**

In addition to exhibition site maintenance costs, the other operating expenses mainly consist of rental charges for premises, legal and consultancy expenses, expenditure on advertising and IT expenses, insurance policies, site security and cleaning services, and additions to accruals. The non-operating expenses, totalling EUR 30,544k (previous year: EUR 914k), are mainly due to the creation of accruals to cover the negative market values of the interest rate swaps and to the loss of the Stockumer Höfe warehouse photovoltaic system destroyed by fire. In addition, for the first time the future rental expenditure for areas of the P1 parking spaces was taken into account in a EUR 6,500k accrual for impending

losses. The other taxes incurred in the business year concerned and shown as part of other operating expenses amount to EUR 2,043k (previous year: EUR 2,179k).

**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.

**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 taxation have given rise to income amounting to EUR 110k (previous year: EUR 310k) and expenditure amounting to EUR 922k (previous year: EUR 3,342k).

The following reconciliation between the expected business profits and income tax expense and actual business profits and income tax expense is based on a tax rate of 31.23 percent, which has remained unchanged since the previous year.

	2016 €'000	2015 €'000
<b>Expected expenditure on taxes on income and business profits</b>	<b>29,517</b>	<b>4,182</b>
Foreign tax burden differing from the above	-1,267	-715
Tax-free income	-1,038	-1,780
Non-deductible expenditure	2,920	363
Losses having no effect on taxation	5,748	505
Tax relating to earlier business years	-763	-302
Other factors	562	882
	<b>6,162</b>	<b>-1,047</b>
	<b>35,679</b>	<b>3,135</b>



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#### Appropriation of profits

The management proposes that, from the net profit for the year amounting to EUR 71,033k, an amount of EUR 6,500k should be paid out as a dividend, the remaining sum amounting to EUR 64,533k to be carried forward to new account.

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#### Post-balance sheet report

No events of particular significance have occurred since the end of the business year.

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#### VI. Other disclosures

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##### Human resources

In addition to the management, on average 917 (previous year: 1,192) wage-earners and salaried staff were employed during the business year. In addition, 15 (previous year: 15) apprentices were employed.

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##### Other financial obligations and contingent liabilities

On the balance-sheet date, the Group's purchase commitments totalled EUR 151,362k (previous year: EUR 50,571k).

Further obligations amounting to EUR 6,364k (previous year: EUR 13,869k) stemmed from commitments relating to long-term rental agreements and leases.

On the balance-sheet date guarantees totalling EUR 507k (previous year: EUR 712k) 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 16k 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/RZVK), 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 discretionary right to report this contribution - being a direct pension commitment (Art. 28 para 1 EGHGB/Introductory Act to the German Commercial Code) - as a liability having been exercised, as in past years, no accrual was set up. The Supplementary Pension Fund (RZVK) levy shown on the Income Statement under human resources expenses amounts to EUR 2,914k for the year under review (previous year: EUR 3,260k). The contribution levied amounts to 4.25 percent of the remuneration on which contributions are payable - EUR 37,156 (previous year: EUR 35,125). In addition, a 3.5 percent financial reorganization charge is also imposed. The contribution rate can be regarded as remaining constant. The level of the financial reorganization charge is likely to increase even further pending the establishment of definitive capital cover for the supplementary pension system. The possibility of claims being lodged on the basis of contingent liabilities is viewed as being relatively small.

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##### 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 December 2016, Messe Düsseldorf GmbH had concluded a total of six (previous year: six) 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 March and 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 three interest rate swaps not includable in the Balance Sheet on account of the valuation units established (loan-related transactions concluded) totalled EUR -518k (previous year: EUR -2,739k) at 31 December 2016. As regards the interest rate swaps covering the three future loan transactions, due to the changed situation relating to interest rates no valuation unit can be set up at the moment. For this reason, a EUR 3,776k accrual has been created in respect of the market value to be covered.

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##### Auditors' fees

A sum of EUR 115k (previous year: EUR 125k) was recorded as an expense, in the business year under review, for the auditing of Messe Düsseldorf GmbH's annual and consolidated financial statements by the auditor appointed.

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##### 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 with regard to the 2016 Business Year

	Parent company				Parent company			Minority interests			Total
	Subscribed capital	Capital reserves	Revenue reserves	Currency translation differences	Consolidated profit brought forward	Consolidated net income for the year	Equity	In capital	In profit/loss	In equity	Group equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Status at 31.12.2014</b>	<b>15,625</b>	<b>79,718</b>	<b>85,270</b>	<b>2,585</b>	<b>156,696</b>	<b>56,935</b>	<b>396,829</b>	<b>29,320</b>	<b>746</b>	<b>30,066</b>	<b>426,895</b>
Carried forward to new account	-	-	-	-	20,875	-56,935	-36,060	746	-746	-	-36,060
Amount posted to reserves	-	-	36,061	-	-	-	36,061	-	-	-	36,061
Consolidated net income for the year	-	-	-	-	-	10,578	10,578	-	-322	-322	10,256
Distribution of dividends	-	-	-	-	-14,827	-	-14,827	-633	-	-633	-15,460
Currency translation differences	-	-	-	1,631	-	-	1,631	591	-	591	2,222
<b>Status at 31.12.2015</b>	<b>15,625</b>	<b>79,718</b>	<b>121,331</b>	<b>4,216</b>	<b>162,744</b>	<b>10,578</b>	<b>394,212</b>	<b>30,024</b>	<b>-322</b>	<b>29,702</b>	<b>423,914</b>
Carried forward to new account	-	-	-	-	10,578	-10,578	-	-322	322	-	-
Consolidated net income for the year	-	-	-	-	-	57,811	57,811	-	1,027	1,027	58,838
Distribution of dividends	-	-	-	-	-10,141	-	-10,141	-	-	-	-10,141
Changes in the scope of consolidation	-	-	-1,558	-99	1,723	-	66	-28,778	-	-28,778	-28,712
Currency translation differences	-	-	-	-3,585	-275	-	-3,860	-290	-	-290	-4,150
<b>Status at 31.12.2016</b>	<b>15,625</b>	<b>79,718</b>	<b>119,773</b>	<b>532</b>	<b>164,629</b>	<b>57,811</b>	<b>438,088</b>	<b>634</b>	<b>1,027</b>	<b>1,661</b>	<b>439,749</b>

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

# Consolidated Cash Flow Statement

of Messe Düsseldorf GmbH for the Business Year 2016

	2016	2015
	€'000	€'000
Consolidated net profit/loss for the year	57,811	10,256
Portions of profit/loss accruing to minority interests	1,027	322
Depreciation on tangible and intangible fixed assets	26,399	28,051
Write-downs on financial assets items	768	0
Increase (+) / decrease (-) in accruals for pensions	-2,062	947
Other income and expenses without impact on cash flow	-53	-55
<b>Cash flow</b>	<b>83,890</b>	<b>39,521</b>
Profits (-)/losses (+) due to the retirement of fixed assets items	1,608	6
Expenditure on/income from interest	-5,666	-6,305
Expenditure on/income from tax on business profits	35,679	3,135
Tax on business profits paid	-26,775	-4,994
Increase (-) / decrease (+) in inventories, in trade receivables, and in other assets that are not attributable to investment or financial activities	-3,112	-4,607
Increase (+) / decrease (-) in payments received on account	-7,225	29,253
Increase (+) / decrease (-) in trade payables and other liabilities that are not attributable to investment or financial activities	19,727	18,264
<b>Inflow of funds due to regular business operations</b>	<b>98,126</b>	<b>74,273</b>
Inflows due to retirements of tangible and intangible assets	106	843
Inflows due to retirements of financial assets	26	43
Outflows for capital expenditure on intangible assets	-3,978	-2,150
Outflows for capital expenditure on tangible assets	-29,843	-44,717
Outflows for capital expenditure on financial assets	-56	-1,015
Currency-induced changes in fixed assets	87	-2,248
Inflows due to retirements from the scope of consolidation	8,277	0
Interest payments received	144	492
Dividends received	3,500	6,000
<b>Outflow of funds due to capital investment</b>	<b>-21,737</b>	<b>-42,752</b>
Dividend payments to shareholders	-10,141	-14,827
Changes in minority interests	737	-364
Changes in liabilities to banks	1	-2,562
Changes in payables to shareholders	17	-8
Interest payments made	-2,181	-5,975
Changes in other long-term liabilities	-4,470	-2,340
<b>Outflow of funds due to financing activities</b>	<b>-16,037</b>	<b>-26,076</b>
Changes in cash and cash equivalents	60,352	5,445
Cash and cash equivalents at the beginning of the accounting period	132,743	125,666
Changes in liquid assets due to the scope of consolidation and currency translation	21,542	1,632
<b>Cash and cash equivalents at the end of the accounting period</b>	<b>214,637</b>	<b>132,743</b>

# Shareholdings

of Messe Düsseldorf GmbH

Company	Percentage of capital held in %	Equity 31.12.2016 €'000	Result 2016 €'000
Messe Düsseldorf North America Inc., Chicago 100%	100.00	6,025	856
Messe Düsseldorf Japan Ltd., Tokyo/Japan	100.00	1,650	595
000 Messe Düsseldorf Moscow, Moscow/Russia	100.00	1,646	446
Messe Düsseldorf ASIA Pte. Ltd., Singapore	100.00	2,597	425
Messe Düsseldorf India Pvt. Ltd., New Delhi /India*	100.00	962	- 279
FIXXUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Rheinhalle Düsseldorf KG, Pullach	94.00	23	1
IGEDO Company GmbH & Co. KG, Düsseldorf	94.37	4,792	- 1,214
Messe Düsseldorf China Ltd., Hong Kong/China	100.00	22,810	3,759
Messe Düsseldorf (Shanghai) Co., Ltd., Shanghai/China	100.00 indirectly	5,911	1,448
Meseturm Düsseldorf Verwaltungsgesellschaft mbH, Düsseldorf	50.00	2,831	611
Düsseldorf Congress Sport & Event GmbH, Düsseldorf	50.00	1,859	106
GEC German Exposition Corporation International GmbH, Berlin**	33.33	50,619	18,560
Düsseldorf Marketing & Tourismus GmbH, Düsseldorf**	5.4	2,039	13

\* Closing date 31.3.2016

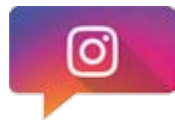
\*\* Closing date 31.12.2015

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