

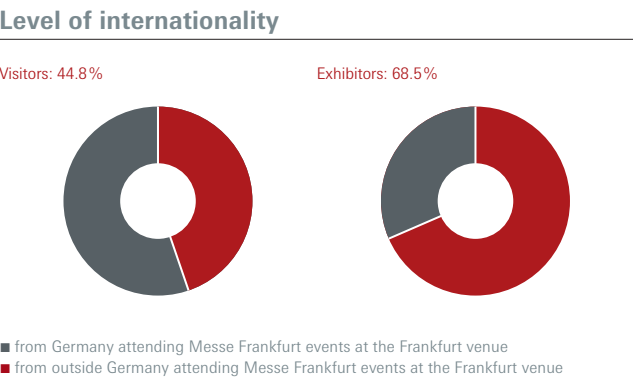
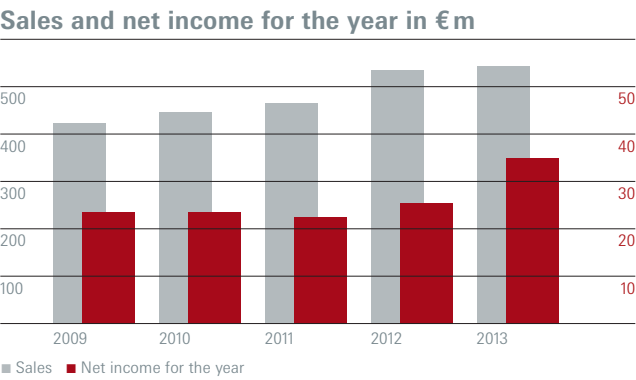


2013

Annual Report

Dialogues

At a glance



The Messe Frankfurt corporate group conceives, plans and hosts trade fairs and exhibitions in Germany and abroad. The parent company and its subsidiaries offer a well-coordinated service package for national and international customers, exhibitors and visitors.

Corporate group					
in € m*	2009	2010	2011	2012	2013
Sales	424	448	467	537	545
Personnel expenses	94	102	106	120	123
Depreciation, amortisation and write-downs	53	59	59	61	56
EBITDA	96	109	99	102	108
Earnings before taxes on income	37	42	34	36	49
Pre-tax return on sales in %	9	9	7	7	9
Net income for the year	23	24	22	25	35
Additions to fixed assets	118	20	22	27	48
Equity	384	397	404	412	427
Total assets	869	875	832	834	820
Active employees (at 31.12. respectively)	1,589	1,629	1,725	1,833	1,999

* except employees and return on sales

Shareholders: City of Frankfurt (60%), State of Hesse (40%)
Subscribed capital: City of Frankfurt €108 million, State of Hesse €72 million

Basic data	2009	2010	2011	2012	2013
Total area (m²)	578,000	578,000	578,000	578,000	578,000
Available hall space (m²)	345,697	355,678	355,678	355,678	355,678
Available open space (m²)	95,721	96,078	96,078	96,078	96,078
Number of halls	10	10	10	10	10
Events in Germany					
Number of trade fairs and exhibitions	37	36	37	41	43
Exhibitors	41,097	42,386	38,184	44,066	40,786
Net area (m²)	1,438,709	1,281,215	1,366,756	1,444,758	1,480,779
Visitors	2,325,565	1,474,301	2,307,067	1,634,205	2,268,884
Events outside Germany					
Number of trade fairs	54	51	63	68	70
Exhibitors	22,320	26,196	30,643	34,431	38,793
Net area (m²)	483,217	572,538	713,636	791,785	935,148
Visitors	837,317	921,183	1,063,369	1,173,757	1,381,032
Total					
Number of trade fairs	91	87	100	109	113
Exhibitors	63,417	68,582	68,827	78,497	79,579
Net area (m²)	1,921,926	1,853,753	2,080,392	2,236,543	2,415,927
Visitors	3,162,882	2,395,484	3,370,436	2,807,962	3,649,916

Partners and dialogues

Messe Frankfurt and all its events in Frankfurt am Main, in Germany and worldwide are meeting places for personal dialogues and the exchange of ideas. The numerous contacts established “on-site” at trade fairs, congresses and events lead to new partnerships, strengthen existing business relationships and, like this, create a complex variety of different interactions.

These dialogues are continued and deepened online. Such conversations make it clear what drives entire sectors of the economy, what themes stand to gain in importance in the future and what viewpoints people share – or not, as the case may be.

Messe Frankfurt thus brings together customers, visitors, exhibitors and partners “on-site” and online in a network where knowledge and experience are shared at various levels – to the mutual benefit of all concerned.

Dialogues

Messe Frankfurt remains on track for success: the corporate group once again recorded an increase in sales and, consequently, also in earnings. Strategically, too, Messe Frankfurt continued its trend-setting development in fiscal 2013 and laid down decisive markers for further efficiency enhancements, effective gains and profitability.

With a new record sales level of € 544.8 million and net income at around € 35 million, Messe Frankfurt outperformed our and our shareholders' expectations in 2013. This success would not have been possible without the dedication of our staff across the group, and we would like to take this opportunity to sincerely thank all those who contributed. We also thank our shareholders for the constructive cooperation and the trust placed in us.

Our success proves us right: we have taken the right path and will consistently continue along this path in future. In this spirit, we have invested more intensively in our event and service business and have generally broadened our portfolio of trade fair themes. In addition, the acquisition of new events worldwide, record numbers of exhibitors and visitors, increased capacity utilisation at our exhibition grounds and resulting higher sales at our home venue, the promising potential for future growth that our services offer and – last but not least – an ongoing review of our organisational structures and processes all contribute to this success. This is also perceived from outside the company: a Forsa survey conducted by the

newspaper Frankfurter Neue Presse about the reputation of companies in the Rhine/Main region ranked us number one by a wide margin.

This is an additional spur for us to implement our “Messe Frankfurt 2020” strategic roadmap: we will continue to pursue the defined sales target by making investments in the right channels and products, in new trade fairs, in our services and in our venue in Frankfurt am Main. A number of initiatives along the way have already been triggered: we are the first exhibition company to become a certified premium SME partner of Google™ in Germany. We have added new events such as Watertech India, the regional trade fair Nordstil, SPS Automation India or Texworld Istanbul to our portfolio. The Kap Europa congress centre, which opened its doors in May 2014, is already a sought-after venue for events. At the same time, we are investing in our exhibition grounds and making them fit for the future: following a competition the Tor Nord (North gate), the main access for cars and trucks, has been redesigned and reopened, and Hall 6 has been technically and visually modernised. We have also purchased two plots of land

directly adjacent to the exhibition grounds that we intend to develop over the next few years.

“Dialogues”, the title of the 2013 Annual Report, makes it very clear that if we want to be successful it is essential that we speak with one another. That we have thoughts, communicate them and foster an exchange. That we adopt, explain and defend our points of view. That we listen to one another, because dialogue also depends on the willingness to compromise and mutual understanding on the part of the dialogue partners. When different people and characters meet, it is never a foregone conclusion where the dialogue will lead and where it will end. Sometimes a buzzword can steer the conversation in a totally different direction. This is what makes every dialogue so interesting – and unique.

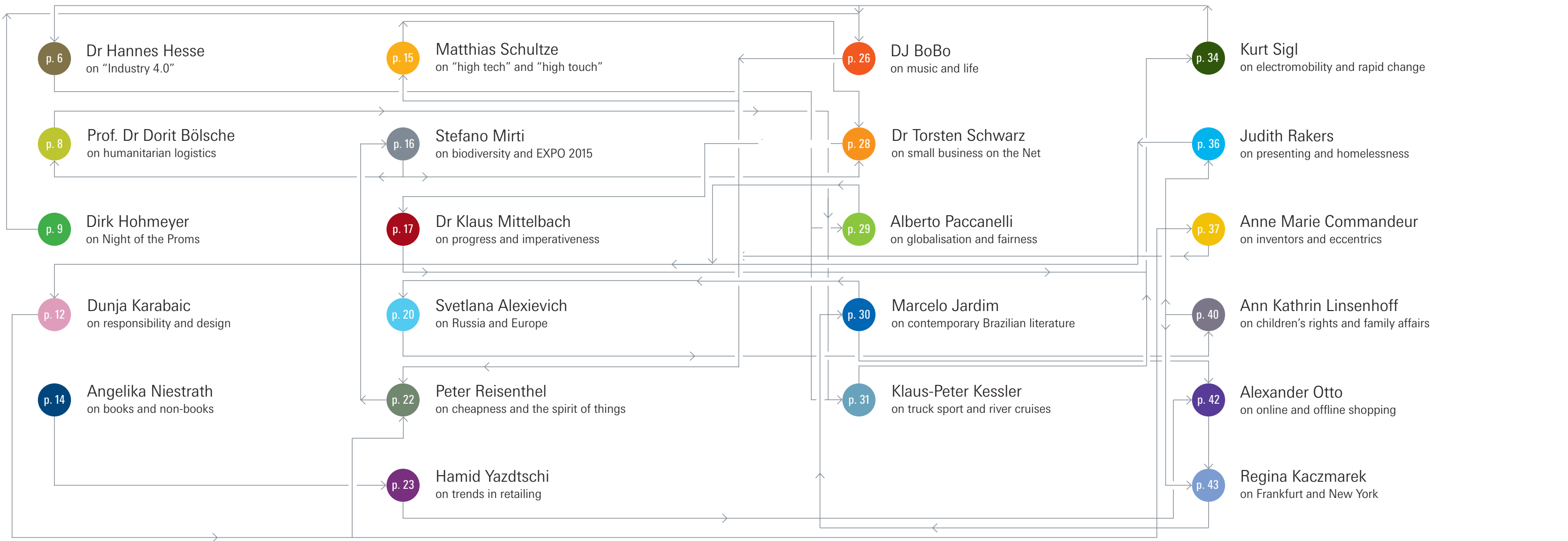
Dialogue, of course, works best face to face. The resulting interrelations and networking have depth and ideally are sustainable – they are after all the foundation for establishing promising business contacts that can subsequently be fostered online.

To encourage you, our customers and visitors, to enter into dialogue, Messe Frankfurt creates appropriate platforms nationally and internationally – “on site” as well as online. We therefore invite you to meet and get talking to one another. To paraphrase Goethe: “The things we do not speak about, we do not truly reflect upon.”

We look forward to welcoming you!
Wishing you an enjoyable read!

Wolfgang Marzin Detlef Braun Uwe Behm





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The digital version of the Messe Frankfurt Annual Report is available online at annualreport.messefrankfurt.com

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Dr Hannes Hesse

has been executive director of the Verband Deutscher Maschinen- und Anlagenbau (VDMA) – German Engineering Federation – for 13 years. That makes him an activist of the next industrial revolution “Industry 4.0”.

What is “Industry 4.0”?

In short it refers to nothing less than the reinvention of industry. Following mechanisation of production, electric power and automation, we now have networking. For example an automotive plant designed according to the principle of a “smart factory” knows when a customer places an order for a specific vehicle. The car components in turn know when they have to be where in the factory and the assembly robot knows when it has to start up. This makes it possible to speed up production processes, save energy and manage knowledge. It also opens up whole new possibilities for end users, who have more influence on their product.

The word “revolution” is by all means appropriate. But not in the sense of a big bang. We are in the middle of an ongoing process. The German mechanical engineering industry today is investing huge sums of money in the technology lead of tomorrow. Companies have recognised that automation and greater flexibility, as well as horizontal and vertical integration in a production structure are decisive in securing a globally leading position.

Just a few years ago, Germany was referred to as the “sick man of Europe”. Today the German economy is a driving force of global development.

That’s the result of a concerted effort. It shows that you really can get things moving if you take the bull by the horns. The decisive strength of the mechanical engineering industry is the integration of new high-tech products from a range of different industries such as electrical engineering, steel and chemicals into a globally exceptionally competitive product. The mechanical engineering industry today is capable of providing technological solutions for many of our most pressing problems – for water, energy, natural resources and foodstuffs. This success is above all the merit of our qualified specialists and engineers. But we need to be careful: resting on our laurels is the beginning of the slippery slope. Through our close international contacts we know that others aren’t just sitting idly either. China, for example, is currently overtaking us in the renewable energies sector.

In 2015, you will retire from the VDMA. What revolution do you intend to start then?

Simply the fact of no longer being under constant time pressure and the pressure of tasks to be done is a personal revolution in itself. Even if it’s not entirely clear what I’ll be doing, one thing is certain: I consider it a fundamental fallacy that doing nothing could in any way be equated with personal progress.

Entrepreneur **Alberto Paccanelli** is observing a new phase of globalisation in which the use of new technologies is causing production sites, market shares and jobs to migrate back to Europe.

Motoring journalist **Klaus-Peter Kessler** doesn’t think much of retirement either – at least not if you go by his personal definition of a “river cruise”.

► Dialogue

The VDMA and Messe Frankfurt have cooperated very closely for many years in order to provide German companies with a platform for international networking.

► Partnership

The VDMA and its 38 specialist associations are cooperation partners to Messe Frankfurt for a wide range of leading international trade fairs.

► Messe Frankfurt

Technology & Production

Prof. Dr Dorit Bölsche

ensures provision of the right quantity of the right goods at the right time in the right quality in the right place – for people to whom this is absolutely essential. She is Vice President and professor at Fulda University of Applied Sciences and carries out research in the field of humanitarian logistics.

What is humanitarian logistics?

We help to improve the situation of people affected by acute emergencies or permanent calamities such as war or poverty. All the time we are dealing with exceptional circumstances – and that makes things rather complicated. For example, after the Pakistan earthquake in 2004, supplies of tents arrived for people who had lost their homes. Luckily, it was all organised very quickly – but unfortunately they were summer tents and the disaster area was on a plateau. The logistics chain had worked absolutely smoothly – but there was a communication error. In the case of the earthquake in Haiti, on the other hand, the problem was that access routes to the island were pretty soon congested. Local aid organisations then began to charter cruise ships from which smaller boats transported the aid ashore.

So you see: no two catastrophes are the same. We therefore build a bridge between the available practical experience and improvisation skills of the humanitarian aid organisations with the tried and tested knowledge of the industry and logistics providers through methodical research.

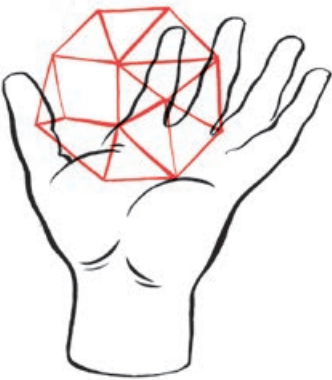
For example?

As a result of the joint projects, aid organisations and private companies have started to improve their networking. Normally when there is a major disaster, container freight costs go up around the world. That's perfectly normal when global demand suddenly peaks. But through better communication it has been possible to get aid organisations exempted from these price hikes and even make capacities available free of charge. This is just one concrete example of how research can quite incidentally create practical benefits.

What prompted you to pursue this field of research?

For me the tsunami in 2004 marked a turning point in my work. There were constant media reports about breakdowns in the logistics chain and not enough aid getting through. That prompted me to contact the Red Cross and initiate a research project. Since then, I have become more and more fascinated with the subject. Because it's not just about making savings and improving efficiency – you can also make a real difference. You have to imagine that logistics accounts for as much as 50 percent of the total costs of an international aid mission. So every euro that can be saved here literally helps to save lives.

Port-au-Prince and Paris have similar problems: more and more city centres are nowadays closed to heavy vehicles in a bid to escape traffic gridlock. Major logistics hubs on the periphery of the cities and small electric transporters are the solution according to motoring journalist Klaus-Peter Kessler.



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Dirk Hohmeyer

knows them all: from Nena and Boy George to Andrea Bocelli. The maker of the “Night of the Proms” brings generations of musicians and their fans together.

What unites visitors to the Night of the Proms?

There's a lot of talk today about social isolation, the ego society or a conflict of generations. It's not a view I share. Unlike 30 years ago, today's youth are also growing up with the music of their parents' generation. There are so many young bands following in the tradition of rock and pop classics, reinterpreting them with new cover versions. At some point you rediscover the original and realise: hey, that's pretty cool too! Our concerts are attended by those in their mid-forties with their children and their parents, looking for a shared musical experience.

How do you manage to get all the stars and talents under one roof?

Bryan Ferry said that performing at the Night of the Proms was like running a marathon – but only the last 200 metres. In the short time you're on stage, you have to throw everything at it. Successful musicians are used to having the whole pressure on their shoulders at concerts. Here, it's different. There's a large orchestra and lots of other artists. For some stars it's not their thing. They're not happy appearing alongside anyone else. But many actually find it liberating. What's more, we are all one family and treat everyone accordingly. 30 years ago, I went to dinner with Boy George at a Wienerwald fast-food restaurant in Bremen. In those days his band Culture Club was still completely unknown. I organised the band's passports because they'd never been abroad before. Stars are just ordinary people like you and me – at least in my experience.

Because fewer and fewer people are prepared to spend money on recordings, live concerts have become a lifeline for many artists. DJ BoBo knows what he's talking about, because even his own son prefers to invest in virtual diamonds than in music.

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► Dialogue

The “House of Logistics and Mobility” (HOLM) networks business, science and society on a project platform dealing with logistics.

► Partnership

Fulda University of Applied Sciences and Messe Frankfurt are project partners in the newly established HOLM at Frankfurt Airport. Universities, enterprises and institutions find access here to know-how and cooperation partnerships.

► Messe Frankfurt

Mobility & Infrastructure

► Dialogue

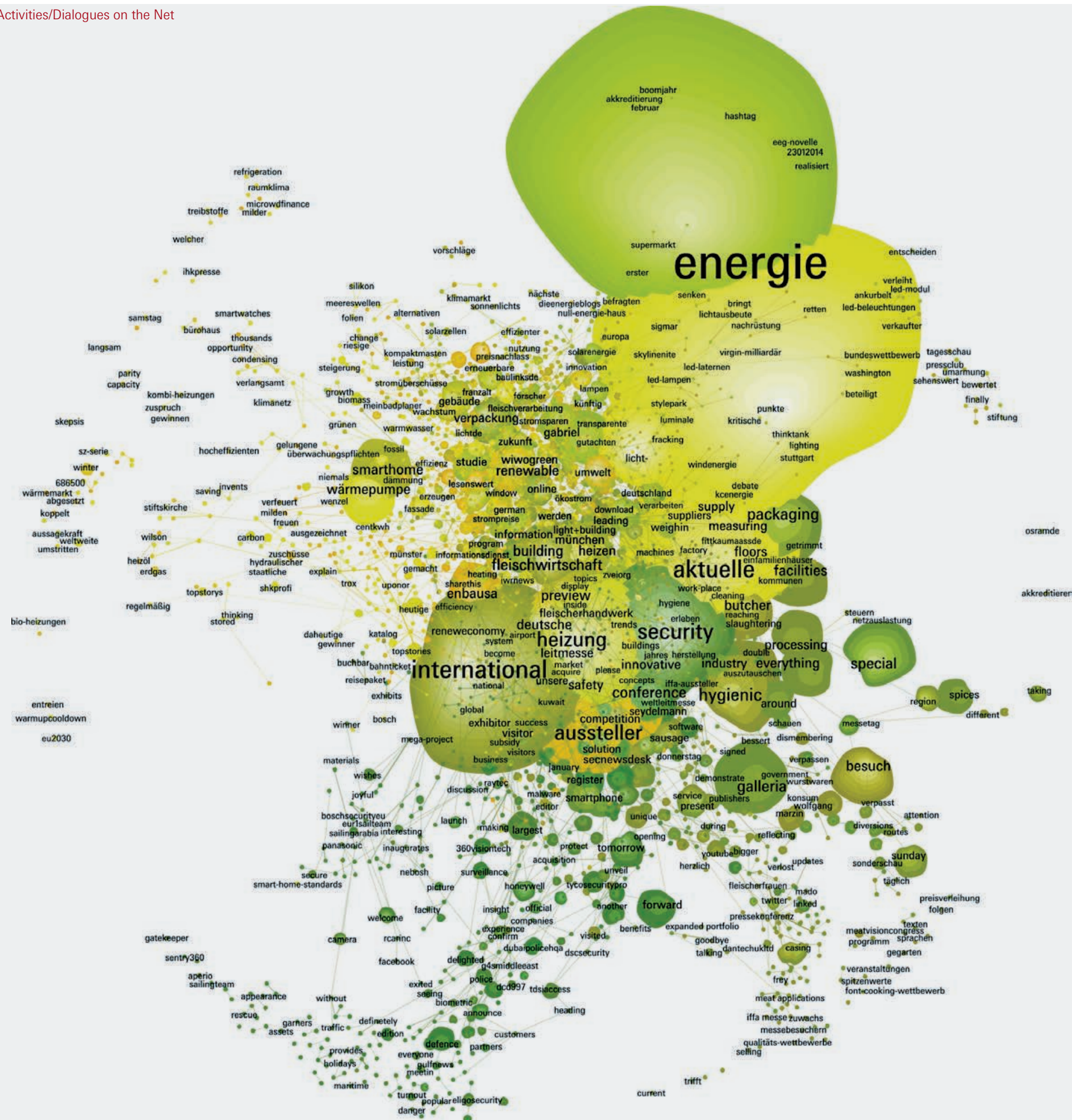
With over 150,000 tickets sold, the Night of the Proms is one of the biggest live music events held in Germany and unites pop and classical music.

► Partnership

Night of the Proms has guested at the Frankfurt Festhalle for 20 years. For the VIP catering, Messe Frankfurt's Accent-services subsidiary has received the Night of the Proms Gastro Award several times.

► Messe Frankfurt

Guest shows, congresses & events
Services: Accent-services



Technology & Production

Comprehensive technology expertise, tailor-made concepts and innovative solutions – this is what Messe Frankfurt and its subsidiary Mesago Messe Frankfurt stand for as a worldwide leading organiser of trade fairs in the field of Technology & Production. Between them, with their extensive product portfolios, they cover the key areas of growth and top themes in all economic regions of the world.

Internationally, some 19,000 exhibitors and over a million visitors and congress participants attend around 50 trade fairs, congresses and other high-tech events. These include a number of leading fairs in their respective industries, for example ISH and Light + Building as the world's leading trade fair brands for building technology, and IFFA in the capital goods industries segment.

The rapidly growing international demand for security technologies is served by the Intersec family of events. Eight international trade fairs in the environmental technology segment cover the product portfolio from recycling and waste management, via water and wastewater treatment and water supply, to air purification and energy generation.

Industry-oriented technology themes are the domain of Mesago Messe Frankfurt. Events such as SPS IPC Drives (electrical automation), SMT Hybrid Packaging (system integration in microelectronics) and PCIM (power electronics, intelligent motion, renewable energies, energy management) represent the key international forums in their fields.

What do people speak about on the Net?


The diagram on the left shows an evaluation of the dialogues in social media channels relating to various Messe Frankfurt trade fairs. The evaluation is based on Tweets, Google searches, Facebook posts and posts on YouTube. The most frequently used terms were positioned on this map and their correlations determined.

- ## Evaluated trade fairs

- IFFA
- Intersec
- ISH
- Light + Building

- ↑ **Size of the coloured areas/type**
 ← ● → Stands for the frequency with which a term was named
 ↓ in relation to the respective trade fair.

- Clusters/links**
Terms clustered together come from the same post or a direct response to a post (thread).

- 
- ### Concentric forms
- The number of concentric forms indicates in how many different variants a term was posted (for example: “energy”, “energetic”, “energy-saving”, etc.).

Dunja Karabaic

wants to change the world. As designer and organiser of the Ökorausch Festival in Cologne, she's betting on her colleagues' play instinct and a different interpretation of beauty: ethically sound is beautiful.

What is your personal definition of sustainability?

As we all know, the term combines social responsibility and ecologically sound practices. But for me, the cultural aspect is especially important. We must involve society as a whole – people we live and work with as well as people at the other end of the world. Responsibility means looking beyond our own backyard.

But don't we already do this? Nobody wants factories in Bangladesh to collapse for the sake of a cheap T-shirt. So why are such things still happening?

The problem is that we are often unaware of the circumstances under which the products are manufactured. But we need them all the same. We can't run around with no T-shirt. Many production chains are so intransparent that it's incredibly difficult for consumers to make conscious choices. Therefore it's important not only to show where the problems are, but also to present solutions – such as seals or special product concepts.

So who is ultimately responsible? Consumers aren't sufficiently well-informed, manufacturers point the finger at the politicians and politicians at the manufacturers.

Everyone. You can't just go around pointing the finger at one another: consumers can inform themselves, manufacturers can switch to greener production methods and politicians could also do much more. Take, for example, the current negotiations concerning the EU's Free Trade Agreement with the US: here one would wish for a lot more arrangements designed to protect social and ecological standards. There's not enough follow-through across the board.

We mustn't forget that we have a duty to countries like Bangladesh, because we can afford to be fair. Every individual can ask themselves: What's something worth to me? What are my priorities? What is important to me? What's expensive is the rubbish that doesn't last more than five minutes or makes you ill because it's full of chemicals.

What role does design play in this?

Creative people have the talent to play. This can give rise to new solutions. At the last Ökorausch Festival, for example, life jackets for cattle that graze in flood-prone meadows were presented. That triggered some interesting discussions amongst visitors and changed the perspective on things. You must interpret design differently and then you can take a different creative approach. People like beautiful things. But in future, "beautiful" won't just be an outer form, but also an ethical idea ... for designers, that's a big challenge.

► Dialogue

With Ecostyle, Ethical Fashion Show and Greenshowroom, Messe Frankfurt creates platforms for an exchange of views among manufacturers and retailers of sustainable products.

► Partnership

Dunja Karabaic is a member of the advisory board of Ecostyle, trade fair for verified sustainable consumer goods. Ecostyle is held parallel to the Tendence international consumer goods fair.

► Messe Frankfurt

Consumer Goods & Leisure

Trend researcher **Anne Marie Commandeur** has observed that people tend to ask themselves this question especially in times of crisis.

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"The motto 'cheap is cool' on the other hand doesn't stand for economy, but for a lack of commitment to quality," says entrepreneur **Peter Reisenhel**.





Angelika Niestrath

loves books. That's why she has founded a company with the name "Nonbook".

Small bookstores are shutting up shop – big ones, too. Your company is called Nonbook. Does the book industry have a future?

It's true that bookstores are closing. But: new ones are opening up, too. Of course, online retailing and e-books are giving the stationary book trade a run for its money. But that's not a universal threat. Nowadays people shop for what they need on the Net quickly and efficiently. But when they go into town, consumers tend to be in less of a hurry. They are looking for impressions and interesting stories. Bookstores are ideal places for this – but only if they offer a special mix of products and bring the stories to life for their customers.

But doesn't the future belong to the e-book?

A certain percentage of books published today will indeed only be offered in digital form in the future. But the growth of e-books is finite. That's because books are more than just sheer content. Carefully crafted books lovingly printed on high-quality paper are for many a luxury and a gift to themselves. For me personally books have been friends and life companions for as long as I can remember. An e-book is practical – but it's not a friend.

That's why a bookstore as a general store no longer works. You have to address target groups specifically and build up a world that matches their needs. A range of non-book or complementary products, such as paper or gift articles, can be very useful in creating such worlds.

Hamid Yazdtschi is a friend of tangible things and doesn't like general stores. He believes online retailing makes customers more discerning. For a store owner with good ideas that can only be a good thing.

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► Dialogue

With special shows, consultations and concept stores, Angelika Niestrath brings together booksellers and manufacturers of paper products and accessories in order to design new concepts for complementary product ranges in bookstores.

► Partnership

Angelika Niestrath is curator of the "Mr. Books & Mrs. Paper" special show at Paperworld and organiser of the "non-book marketplace" during the Book Fair.

► Messe Frankfurt

Consumer Goods & Leisure
Guest shows, congresses & events

Matthias Schultze

is managing director of the GCB German Convention Bureau e.V. In a future study, the GCB has released findings about how we will meet and exchange ideas in the future.

What in your view is the most important result from the future study?

What's interesting is the clarity with which the respondents identified technology in work and life to be the most influential development – and how quickly the experts expect certain technical innovations to become standard. For example, there are plans to bring musicians who have died back onto the stage – using holography. The technology for this already exists. And it doesn't take a lot of imagination to realise what such technology could mean for the meetings business. Conventions provide an impetus for ideas, bring people together and allow people to enter into direct dialogue. In future it will be possible for a professor from Shanghai to participate virtually at a conference in Bonn while conveying the impression he is actually present in the room. But technology is not an end in itself. First we must ask what the purpose of a meeting is. What do we hope to achieve? Sometimes it's better to reduce the use of technology to a minimum in order to generate direct contacts and a special focus. Trend researcher John Naisbitt speaks of continuously rebalancing the relationship between "high tech" and "high touch", the concrete use of new technology and, at the same time, the need for human and social contact and addressing the senses.

The future study also mentions the growing importance of sustainable concepts such as "green meetings". What does this mean in concrete terms?

This topic plays a role on two levels: firstly there are an increasing number of congresses at which the many facets of sustainability are the topic of discussion. Obviously, if you're going to address such issues, you should yourself offer a sustainable event concept. We have therefore compiled a guideline that breaks these meetings down into their constituent parts, such as arrival and departure, overnight accommodation, catering, material and resources, thus creating a clear picture of all factors and their potential impacts. Based on this it's possible to develop a sustainable alternative for each individual element.

The GCB, together with the EVVC Europäischer Verband der Veranstaltungs-Centren e.V. (European Association of Event Centres) is organising a green meeting to be held at Kap Europa in Frankfurt in 2015. The concept of the meeting allows participants to contribute to the sustainability of the event in the run-up. We have done away with gifts for the speakers, as was traditional practice in the past, in favour of donating the money to social projects at the venue of the meeting. When the meeting guested in Darmstadt, for example, we supported the local Gutenberg School, a model school advocating children's rights that sensitises its pupils for this important topic through various campaigns.



► Dialogue

The GCB promotes Germany as a venue for conventions, meetings, events and incentives. Some 200 members represent over 450 leading destinations, hotels, venues and event agencies, as well as carriers.

► Partnership

Messe Frankfurt is a member of the GCB and in 2015 will host the GCB green meeting and events conference. The GCB also partners IMEX, a guest show held at the Messe Frankfurt exhibition grounds.

► Messe Frankfurt

Guest shows, congresses & events

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"In future we might not even have to twitter ourselves because a computer will be able to do it for us," predicts communications expert Dr Torsten Schwarz.

Stefano Mirti

is designer of the “Biodiversity Garden” for EXPO 2015 in Milan. He also coordinates the EXPO’s social media activities. At first glance, the two appear to have nothing to do with one another. At second glance, however, surprising parallels come to light.



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Prof. Dorit Bölsche addresses similar issues. In her area of research “Humanitarian Logistics” she tries to find the right balance between local resources, global enterprises and NGOs in the organisation of food and aid for disaster-stricken areas.

What is biodiversity?

5,000 years ago around 7,000 different species of plants and animals served people as food. Today that number has reduced to just 100. In the past, Italy used to produce over 100 different varieties of apple. Today just three or four. At first glance that might not appear to be that big a problem. But what if a virus suddenly becomes virulent or something else goes wrong? Biodiversity is essential to a sustainable and durable food chain. So what can we do? Should large-scale corporations take the matter in hand or is it better to rely on smaller, decentralised structures? It’s all about the key issue of how we organise our food supply on a global scale. Simply turning back the clock isn’t the answer. My great grandfather lived in an ecologically very sustainable environment. But the world back then wasn’t necessarily a pleasant place. People died at 50, women had hardly any rights. From today’s perspective, life was pretty gruelling. If in the past we had followed the principle of only eating things that are produced in our immediate surroundings, then today there would be no coffee in Europe, no pizza margherita and no potatoes. So the issue is complex.

How are we to imagine the Biodiversity Garden?

There will be eight greenhouses covering a total area of 8,000 square metres placed along an axis running through the EXPO grounds. Each of these blocks will describe different episodes in the earth’s genesis, starting with prehistoric times and leading up to the present day.

And what does this have to do with social media?

On the practical and organisational level nothing at all. However, from a conceptual perspective we are looking at a similar phenomenon. Social media turn the world upside down. Contents are no longer generated and sent centrally – for example, by the organisers of the EXPO – but by many small “senders” that spontaneously come together and form networks: I share, therefore I am. Social media only work if there are a large number of different “organisms” that all interrelate in a larger whole, as with biodiversity. From the German pavilion, via the car manufacturer Fiat, to the “Save the Children” organisation, we have identified around 250 individual nodes that create contents for EXPO 2015. Our task is to weave all of these messages into one big conversation. In order to make these groups productive for our cause, we must give them space and put our trust in them.

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Communications expert Dr Torsten Schwarz explains why local, regional and small can become the decisive advantage for companies on the Net.

► Dialogue

The EXPO 2015 Universal Exposition in Milan has the motto “Feeding the Planet, Energy for Life”. This central theme embraces technology, innovation, culture, traditions and creativity and how they relate to food and diet.

► Partnership

Messe Frankfurt was chosen by the Federal Ministry of Economics and Technology to organise and run the German pavilion. The national pavilions are independent and non-commercial.

► Messe Frankfurt

EXPO 2015 Universal Exhibition



Dr Klaus Mittelbach

is chairman of the Association of the Electrical Engineering and Electronics Industry (ZVEI). “We must already address today central challenges that will face us in the future,” says the doctor of chemistry, because otherwise time will run out.

Energy turnaround, energy efficiency, network expansion – why is it all taking so long?

Germany is currently in a period of transition, in everyday life, its economy, society. Electronics and software applications allow an ever greater degree of networking, with completely new, complex and highly powerful systems being developed sometimes within extremely short time periods. Energy generation using renewable energy sources is one example of this. In a democratic society, far-reaching structural reforms are frequently – and quite legitimately – questioned and critically discussed.

More than ever, new technologies need elucidating! By the political sector and by industry itself. The ZVEI has set itself the task to explain the potential of innovative technologies to the general public. It’s therefore good that with Light + Building, Messe Frankfurt offers a marketplace that reflects such systemic changes.

There are immense opportunities for our country. The energy turnaround has already triggered significant waves of innovation. But the potential is not yet exhausted. We have created very good conditions to turn the energy turnaround into a success “Made in Germany”. One of the key levers is energy efficiency. In this area we are top, but could still do more. It’s time to act.

Kurt Sigl is also stepping on the gas pedal. The president of the German Federal Association for E-Mobility explains why Germany as a location for technical excellence could get left behind if we don’t move faster.

p. 34

► Dialogue

The ZVEI – Zentralverband Elektrotechnik- und Elektronikindustrie e.V. is one of the largest industrial associations in Germany. It represents the interests of 1,600 companies in the electrical engineering industry and associated service enterprises.

► Partnership

Messe Frankfurt and the ZVEI cooperate closely, for example in organising the technology forum for the exchange of ideas between exhibitors and visitors during Light + Building.

► Messe Frankfurt

Technology & Production

With its internationally leading trade fair formats, Messe Frankfurt offers the globally networked consumer goods industry ideal networking and business platforms. Besides the Ambiente flagship fair in Frankfurt, which from functional innovations and design trends, to the annual presentation by a partner nation repeatedly sets new benchmarks for consumer goods fairs, Ambiente brand events are also held in Tokyo and Shanghai in order to respond to the growing demand in the Asian region. Buoyed by the event's huge success, the format will also be extended to the Indian subcontinent from 2014 under the name Ambiente India.

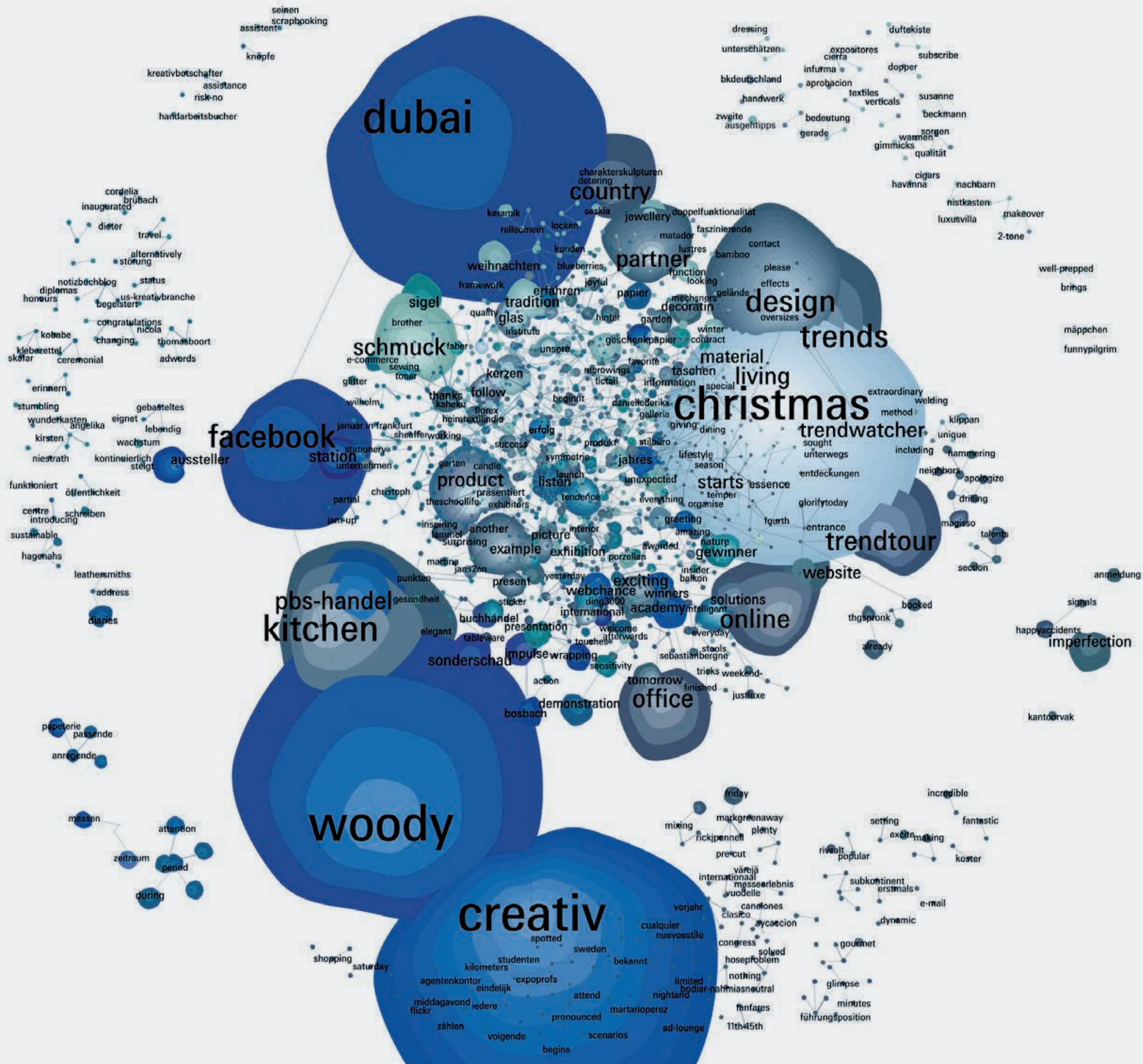
In the second half of the year, Tendence, international consumer goods fair for the home and gift sectors, is the meeting place for well-known brands and many leading decision-makers in the consumer goods industry. This is held parallel to the Ecostyle consumer goods fair for verified high-quality sustainable consumer goods that combine design, functionality and environmental considerations.

Other events in the consumer goods segment include Paperworld, Creativeworld and Christmasworld, the leading trade fairs in their respective sectors. They bring together the international creative and consumer goods market in Frankfurt.

Beautyworld on the other hand offers exhibitors and visitors a successful trading platform in the key growth regions Asia and the Middle East.

What do people speak about on the Net?

The diagram on the left shows an evaluation of the dialogues in social media channels relating to various Messe Frankfurt trade fairs. The evaluation is based on Tweets, Google searches, Facebook posts and posts on YouTube. The most frequently used terms were positioned on this map and their correlations determined.



Evaluated trade fairs

Ambiente

Christmasworld

Paperworld

Tendence

Size of the coloured areas/type

Stands for the frequency with which a term was named in relation to the respective trade fair.

Clusters/links

Terms clustered together come from the same post or a direct response to a post (thread).

Concentric forms

The number of concentric forms indicates in how many different variants a term was posted (for example: "energy", "energetic", "energy-saving", etc.).

Svetlana Alexievich

was born in the Ukraine, spent many years in Europe and has now returned to her home country of Belarus. The author was awarded the 2013 Peace Prize of the German Book Trade.

How do people live in your home country today?

Actually I moved back to Belarus a year ago because of my books. When I'm writing I need to live amongst my characters. I need to actually see them and hear them. I write about the "red man", post-Soviet man, who lives everywhere. In the Ukraine the Maidan is one such place. But he also lives in Russia and in Belarus. The red man lives today in many fragmented countries. He might appear to have changed slightly, but at heart he is still the same.

Do we in Europe have a deep enough understanding of post-Soviet society?

We are witnessing a departure from Europe. For a long time, the Russian elite believed it could join European society. But it became clear that to do so requires a certain "something" that has nothing to do with money and capital. A gas pipeline isn't enough to become one with Europe. When this entry into Europe failed, it turned into aggression. It is this section of the disappointed Russian elite that is now at the helm. On the other hand, Europe for a long time hung on to a romantic notion that we adherents of Perestroika also shared for a long time. We believed that as soon as they were free, people would begin to read authors such as Solzhenitsyn or Shalamov and come to terms with their past. Europe experienced the same disappointment as the post-Soviet intellectuals. You can't simply import freedom the way you can Swiss chocolate or Dutch cheese. Freedom takes time, it has to be lived and withstand many tests.

What separates us? And what unites us?

I'm afraid what unites us is angst and not love as we originally thought. Angst for the future. Especially in light of the recent events in the Maidan. Angst that we could experience another Yugoslavia. This angst hasn't gone away.

Do you look with pessimism or optimism to the future?

On my travels through the post-Soviet countries I have got to know a lot of people who dream of Europe as a place where you can live a just and fair life. That unites people. I have also lived in France and Germany, where, of course, the European model is also open to criticism. Naturally even this model has to be improved. However, it's my belief that we currently have no other, better or more practicable model for the future. It goes without saying that large nations like Turkey or Russia must have the possibility to retain their distinctive identities. But this doesn't mean there's such a thing as a "Russian" or "Turkish" freedom. There are only general, global values. And there's the Internet. Information that is dissipated via the Internet can no longer be hushed up or forgotten. I don't believe that in a blind fury we will catapult ourselves back into the past. I don't believe that. I remain an advocate of a European development model.

► Dialogue

The Peace Prize of the German Book Trade is awarded annually by the German Publishers and Booksellers Association in acknowledgement of individuals who have contributed to the ideals of peace through their exceptional activities.

► Partnership

The International Frankfurt Book Fair takes place annually at the Frankfurt exhibition grounds. It was initiated in 1949 by the German Publishers and Booksellers Association (Börsenverein des deutschen Buchhandels) which is also the organiser.

► Messe Frankfurt

Guest shows, congresses & events

Ann Kathrin Linsenhoff addresses the issue of rights and justice in different cultures. Her foundation for children's rights is active in Germany and many other countries including Afghanistan, Iraq and South Sudan.

Peter Reisensthal

doesn't think cheap is at all "cool". The managing director of the legendary carrybag® shopping baskets is more interested in a product's spirit, quality and history.

What defines good design in your opinion?

Design is what determines a product's soul. It is the feeling, the charm and the character of an object. And if this soul, or spirit, isn't coherent, then usually you'll find the product won't be around for long. However, there's no recipe for how this works exactly. Whether a design becomes a classic in many cases only transpires after a long time. For me, product longevity is therefore a second important criterion. The Porsche 911 is a good example of a product that has stood the test of time. And, last but not least: Keep it easy. Keep it simple. Be practical.

Is that why you are so successful with your products at the "Plagiarius" anti-award?

Yes, but on the side of the originals. Our products are very successfully established in the market and that puts them at risk. It would be foolish to copy a bad product. However, contrary to the general assumption, the plagiarists don't come from abroad. Actually, more often than not, the impetus comes from German firms. When major retail chains copy one of our good products, they save the entire development costs and the entrepreneurial risk. The product has already been accepted by customers – so what could possibly go wrong? A few years ago, one large retailer bought 120 of our carrybags® and offered them for sale in a test store with customised packaging, with the intention of later selling huge quantities of badly made imitations for half the price. Luckily, we managed to take action in time.

And yet our products aren't even expensive. But we are currently observing a fatal trend in society: the pressure to make everything even cheaper. A lot has been written about the slogan "cheap is cool". Personally, it hurts every time I hear the phrase. Not only in terms of profits, but as a general philosophy of life. It starts with food: 89 cents for 100 grams of meat. How on earth is that supposed to function? It can only possibly work with factory farming and drugs. The monoculture of the big brands is eliminating diversity. German city centres nowadays differ only in the order in which the most common brands appear on the high street. If these few brands decide to produce for a pittance in Bangladesh, or manufacture textiles using toxic chemicals, this can cause a lot of damage very quickly.

We have just opened our first bespoke store in Bikini Haus in Berlin. You won't find any cheap discounters there – it doesn't fit with the concept. That's another trend we are observing: young people especially are keen to shop in small shops, a bit like the grocery stores we used to have in the past. Yet they are too young to remember these from their own experience. There's a new yearning for things with a history – and that's all to the good.



Stefano Mirti, designer of the "Bio-diversity Park" at EXPO 2015, can confirm how important diversity is for securing and strengthening the resilience of our systems, be it in food chains, biology or business.

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► Dialogue

Pirate copies of Reisensthal products have frequently received the Plagiarius anti-award. "Plagiarius has good PR. Providing information is the only effective way of protecting against brand and product piracy," says Peter Reisensthal.

► Partnership

Reisensthal is regularly represented at the Ambiente and Tendence fairs. Messe Frankfurt supports companies like Reisensthal in opposing product piracy with its initiative "Messe Frankfurt against Copying".

► Messe Frankfurt

Consumer Goods & Leisure
Messe Frankfurt against Copying



Hamid Yazdtschi

likes direct dialogue. As managing director of the Gilde Group and member of Messe Frankfurt's Supervisory Board, he is a trend barometer for the retail sector and knows what's on the way in – and out.

How is the digital world changing the retail sector?

At the moment a lot of old retailing structures are being overturned. These days, consumers have much more power than they used to – thanks to the Internet the customer now really is king. Nowadays it's not only easier to compare what's on offer. You can also "see" and find much more than you could in the past. The entire market is becoming transparent and consumers know much more, even before they enter a shop or log on online.

As a result, customers are becoming more discerning. The real problem the big department stores are facing is not online retailing, but customers' desire for something special and different. That's why ECE shopping malls are so successful. They are no longer general department stores, but platforms for small-scale mono brand experiences.

So the question isn't whether online retailing will replace local shops or show-rooms, but whether retailers succeed in offering special and individual experiences – through all channels. As part of this mix of channels, trade fairs combine the advantages of a detailed market overview with the possibility for direct contacts and sensuous experiences.

In "future labs" Alexander Otto tests the possibility to link online and offline retailing in order to leverage the advantages of both worlds.

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► Dialogue

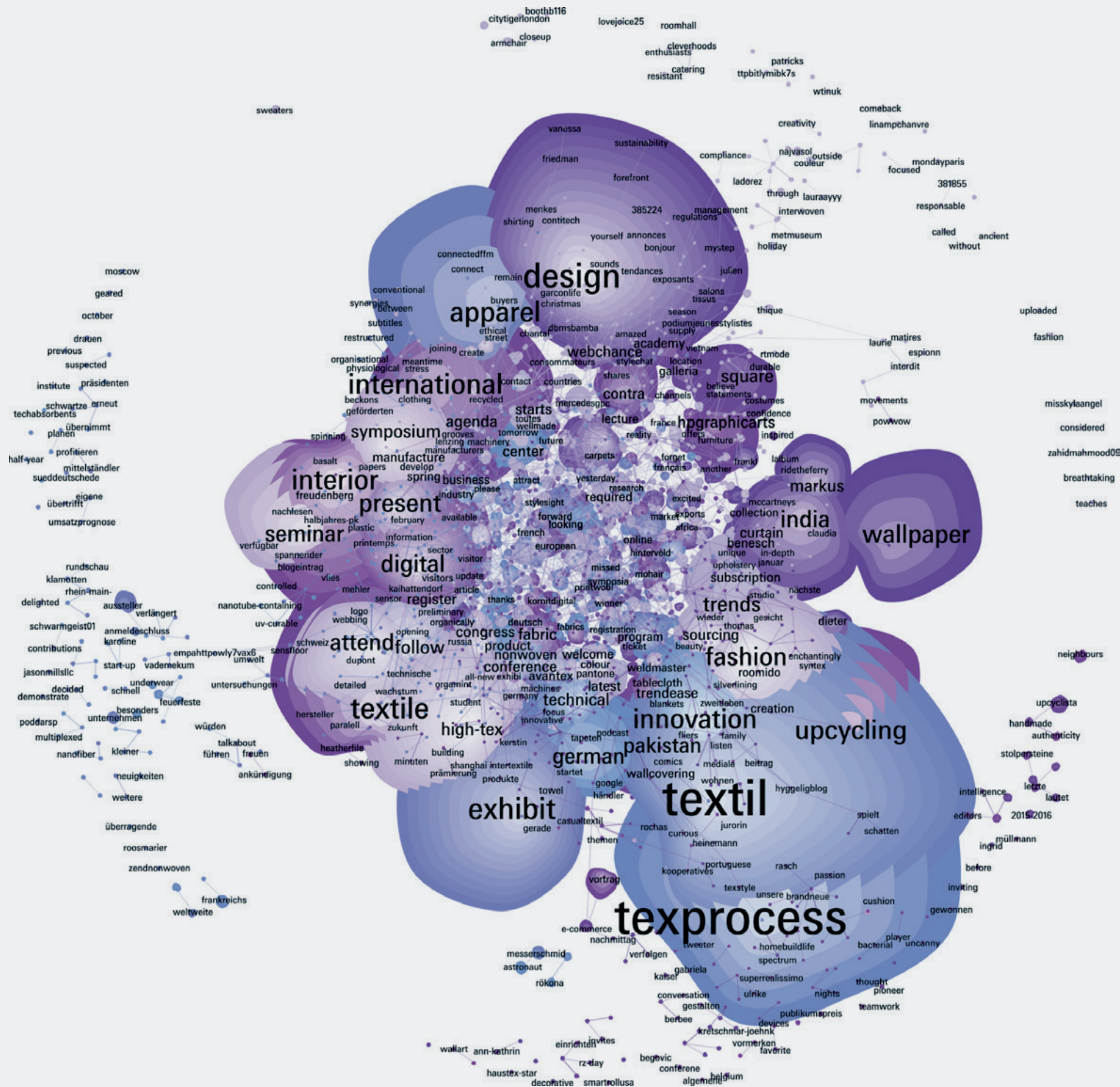
Messe Frankfurt fosters a continuous and intensive dialogue with associations, visitors and customers. Like this, trade fairs and events can be continuously improved and adapted to changing conditions.

► Partnership

Hamid Yazdtschi is a member of Messe Frankfurt's Supervisory Board. As a board member of the EVL European Lifestyle Association, he ensures a direct exchange of suggestions and criticism with Messe Frankfurt.

► Messe Frankfurt

Supervisory Board



Textiles & Textile Technologies

The Textiles & Textile Technologies segment includes over 40 textiles events attracting around 17,000 exhibitors and in the region of 430,000 visitors annually in eight different countries. This makes Messe Frankfurt the world market leader in terms of textiles fairs, with events covering the entire value chain of the textiles industry.

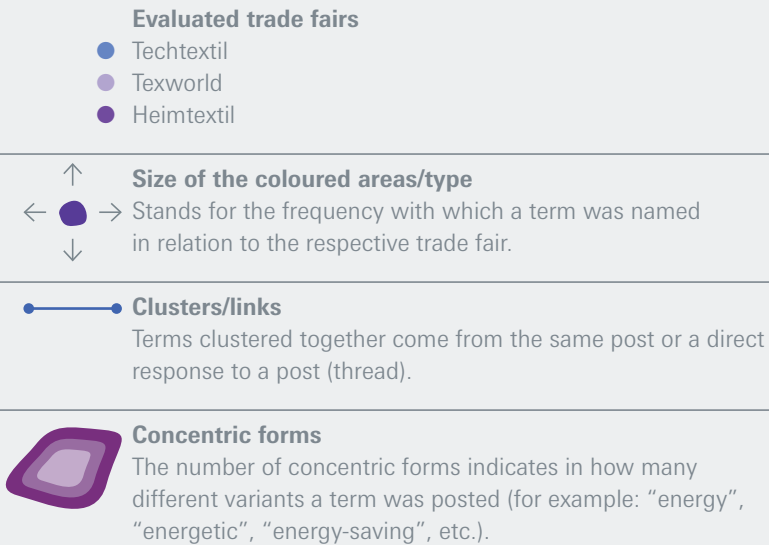
Textiles & Textil Technologies is divided into three categories: Apparel Fabrics & Fashion subsumes all trade fairs for fabrics, yarns, apparel manufacture and sustainable fashion with the Interstoff, Inter textile, Texworld, Apparel Sourcing, Yarn Expo, Ethical Fashion Show and Greenshowroom brands.

Interior & Contract Textiles brings together the leading platforms for home and interior textiles: Heimtextil, Intertextile, Interior Lifestyle and Home Textiles Sourcing.

The brands Techtextil, leading trade fair for the technical textiles and non-wovens industries, and Texprocess, leading trade fair for processing textiles and flexible materials, belong to the Technical Textiles & Textile Processing segment. Sustainability, innovation, trends and design, together with a continuous exchange of knowledge on an international level determine this business segment.

What do people speak about on the Net?

The diagram on the left shows an evaluation of the dialogues in social media channels relating to various Messe Frankfurt trade fairs. The evaluation is based on Tweets, Google searches, Facebook posts and posts on YouTube. The most frequently used terms were positioned on this map and their correlations determined.



DJ BoBo

was the secret name Peter René Baumann used in the 80s when spraying graffiti. Today it's the other way round: as "DJ BoBo" he has become a star much-loved by audiences for his sophisticated stage shows.

You design and produce your elaborate stage shows entirely by yourself. Why is that so important to you?

It's quite simply what I like doing best. Even when I was younger, after every concert I would think about what could have been done differently or to make the show even better. However, when I started out in my career, I wasn't able to play out this card. I was a disco act. Whenever I brought stage sets along to my performances, the organisers thought I had a screw loose. All they wanted was for me to play my hits. The idea of moving to a hall came out of necessity. I wanted to give my love of show biz free rein.

Is the live show the lifeline of the music industry?

My 11-year-old son gets five Swiss francs pocket money a week. He has absolutely no problem investing 20 francs in virtual diamonds that he needs for an online game. But he wouldn't fork out 99 cents for a piece of music. I think the battle to get people to spend money for music is lost. There is one ray of hope with Spotify or YouTube. But even there you have to get quite a lot of clicks before you can buy a cola. So in that respect, yes, live shows are a lifeline for many artists.

Is covering and sampling a source of creativity or should copyright be better protected?

I've experienced both sides. As an author of course I want to protect my ideas. However, for my first hit, "Somebody dance with me", I also borrowed from a colleague. I didn't know any better and I learnt the hard way. On the other hand, if back then I'd tried to clarify the legal situation first, my career might never have got off the ground at all. No US record company would have signed up a small-time village DJ, like I was at the time. But when my hit ended up selling more than the original, things were, of course, different. Nevertheless I would say that strong copyright laws can fire the imagination because they force you to create something of your own.

What are your "all-time favourites" and artistic role models?

In the film "Flashdance" there was a very short sequence in which a guy was doing breakdance at the side of the road. That was what inspired me to take up breakdance myself. The band "Queen" with their incredible sound. And Michael Jackson, because I would just have loved to be able to dance as brilliantly as he could. I used to put on white gloves and practise the moonwalk in front of the mirror in my bedroom like all kids my age probably did.

► **Dialogue**

DJ BoBo's performances captivate and entertain his audiences. Each of his lavishly designed stage shows takes around a year to prepare.

► **Partnership**

DJ BoBo regularly gels up on the latest technical innovations for his stage shows at Musikmesse and Prolight + Sound.

► **Messe Frankfurt**

Entertainment, Media & Creation

p. 15

"Live shows depend on striking the right balance between 'high tech' and 'high touch'," says **Matthias Schultze**, managing director of the German Convention Bureau. Sometimes it's better to reduce the use of technology to a minimum.

p. 22

"Nobody is foolish enough to copy a bad product," says entrepreneur **Peter Reisenhel** from his own experience.



Dr Torsten Schwarz

has been there from the start – on the Net. Back in 1994, he built up one of the world's first web servers. Today he advises small and medium-sized businesses on how to do business with customers on the Net. As a digital expert, he knows the labyrinthine paths in the World Wide Web jungle like the back of his hand ...

Big data, billions of users, astronomical sums for takeover bids – the Internet lives from superlatives. Do small businesses stand any chance at all in this environment?

Yes, absolutely. Small businesses actually have better chances today than before. The younger ones amongst us can't imagine what it was like, but in the early days of the Internet there weren't any search engines. If you wanted to visit a specific website you had to know the respective URL, otherwise your browser window remained empty. Back then, the Web was of no interest to companies. What use is a telephone if no one knows your number?

Google has been online since 1998 – albeit with a pretty rudimentary search algorithm by comparison with today. For small and medium-sized businesses it was therefore still hard to become visible on the Net. If, for example, you had entered "opticians" in Germany five years ago, you would probably have ended up on the "Fielmann" website. Now all that has changed. Today, Google will direct you to the website of an optician just around the corner. The Internet is becoming increasingly interesting for small and medium-sized businesses: being regional, small, nearby and personal could be precisely the advantage that makes them relevant on the Web.

What advice do you give to small businesses?

Don't hesitate and just go for it. But – think carefully about what you want to achieve. To put it tritely: on Google you can find customers. Anyone who enters a search term is interested in a product or a service. Facebook on the other hand is a place where people meet and chat. It's not the place to suddenly pull a product out of your pocket. Emails are a means of entering into direct and individual dialogue with customers ... the Internet toolbox is rich. All you have to do is select the right tool for your purpose.

And where does the journey go from here? What comes next?

Firms are using more and more data to enhance their products and services and adapt them to our needs. That also goes for communication. In future you may not even have to twitter yourself, because you'll have an algorithm that helps you. This trend has the potential to change entire industries. However, there are still many open questions, for example concerning data protection.



"Without the confidence of the population, new technologies will have a hard time winning acceptance," says Dr Klaus Mittelbach. He calls for improved communication on the part of industry and more consistent political follow-through.

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► Dialogue

As of October, Messe Frankfurt is a Google™ AdWords SME premium partner. This offers small and medium-sized enterprises a professional advertising service with Google™ AdWords as part of their trade fair presentation.

► Partnership

Dr Torsten Schwarz supports the Email-Expo as an expert and initiator. In addition to publishing numerous studies and specialist articles, he runs Germany's leading independent platform for email marketing, Absolit.de.

► Messe Frankfurt

Entertainment, Media & Creation Services: Dexperty



Alberto Paccanelli

is president of the European Apparel and Textile Confederation (Euratex). As a former basketball pro, he asks what fair play means in a globalised economy.

What are the consequences of globalisation for the textiles industry?

In recent years, many of our jobs have migrated to Asia. Now globalisation is beginning to move in the opposite direction. Our opportunity is not cheap jobs, but technological innovations. For example, digital printing is currently turning the textiles industry upside down. Here in my immediate neighbourhood in Como I can see companies winning back market shares from China because they have a better understanding of how new technologies can help to optimise the value chain.

What does "fairness" mean to you?

Fairness is when everyone plays by the same rules. However, the playing field isn't determined by the industry, but by states. Textiles companies in Europe are quite rightly governed by stringent environmental protection and occupational safety regulations. But in many developing countries these standards are ignored. Rivers get polluted, workers are exploited and that's not all ... Appealing to consumers to buy more expensive products isn't really the answer. It would be more useful to introduce clearer labelling showing where products come from and how they were made. But the easiest way to develop emerging economies is import regulations. Products imported into Europe should meet certain environmental and social standards. That would be fair.

"We all bear responsibility," says designer Dunja Karabaic – politicians, consumers and industry must take action in order to create a fairer and more sustainable society.

p. 12

► Dialogue

At conferences and lectures held parallel to Techtextil and Texprocess, Euratex focuses on innovation and creativity as the key to keeping the European Union textiles and apparel industry competitive.

► Partnership

Euratex is an association partner for major leading trade fairs in the textiles industry such as Techtextil and Texprocess.

► Messe Frankfurt

Textiles & Textile Technologies

Marcelo Jardim

is a Career Diplomat with the rank of Full Ambassador. He is presently Consul General of the Federative Republic of Brazil and was responsible for his country’s presentation as honorary guest at the 2013 Book Fair. Jardim views literature as a door to people’s souls and the strategic focus of a unique culture campaign.

Svetlana Alexievich speaks about divided cultures in post-Soviet societies. Her heroes are simple people who have to learn to cope with a new reality.

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What characterises contemporary Brazilian literature?

Up until the end of the last century Brazilian literature was strongly influenced by regional and rural themes. The literature of that time offered us fascinating descriptions of the social realities of the day, which are rooted in the mythical origins of our South American identity. Today, Brazil is characterised by an all-embracing and dynamic process of change. More and more people are migrating from the country into the big cities. Brazil is currently in the maelstrom of globalisation. This is also reflected in our literature, which nowadays focuses more on individuals and their destiny in an urban, networked world. The young Brazilian author Daniel Galera, for example, is just one talented protagonist of this new generation of writers. Brazil’s evolution as a country and its literature go hand in hand. That’s another reason why Brazil’s appearance as guest nation at the Frankfurt Book Fair was so important for us. We want to tell the world about ourselves through our books.

Brazil presented itself as honorary guest at the Book Fair with an imposing pavilion. What is your résumé?

We were aware from the outset what an opportunity this presented. So we are all the more happy about the huge success of the event. The Brazilian pavilion wasn’t only a place to talk about literature; it was also an architectural statement of openness and transparency. For me personally it was a unique experience to be involved in such a project. The positive impacts for the Brazilian publishing industry will without a doubt have a ripple effect for many years to come.



“Urbanisation is one of the major megatrends of this century. Shaping this change process is not only a challenge for Brazil’s megacities, but also for urban structures in Germany,” says real estate developer Alexander Otto.

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► Dialogue

In the Brazilian pavilion visitors were able to admire a hands-on homage to paper and literature. A diverse programme of events with readings, discussions and music attracted thousands of visitors every day.

► Partnership

Brazil was honorary guest at the 2013 Frankfurt Book Fair. The 2,500-square-metre pavilion constructed from a gigantic puzzle of folded cardboard boxes was realised by Fairconstruction, Messe Frankfurt’s fair construction subsidiary.

► Messe Frankfurt

Guest shows, congresses & events
Services: Fairconstruction



Klaus-Peter Kessler

is a motoring journalist and organises truck shows when he’s not driving a truck around Lake Baikal or “cutting a straight line through the Mongolian steppe”.

What was your first car?

A VW Beetle, mouse grey, built in 1956, 27 HP. Mind you, after a short time I converted it so that I could drive it in rallies.

And today?

Today I take things at a more leisurely pace. I have a small group of friends. We’ve bought old MAN 10-tonne trucks from the German army and regularly go on tour together. Two years ago we went to Mongolia and drove across the Gobi desert. Next we want to drive from Yakutsk in Siberia to Magadan on the Sea of Japan. That involves crossing 46 rivers ... a river cruise. That fits our age.

What trends do you as a motoring journalist see for commercial and heavy goods vehicles?

One key topic for the future is electric vehicles. But having said that, the heavier they are the longer it will take. With a 40-tonne truck the battery alone consumes one third of the possible payload. That’s no longer economically viable. With smaller transporters and trucks up to 12 tonnes though, it’s a different story. These vehicles will sooner or later completely change the infrastructure of our towns and cities. In Paris, trucks have been banned from the inner city for a long time. Here, major logistics hubs on the periphery of the city and small electric transporters make a lot of sense.

Kurt Sigl predicts that the breakthrough for electric vehicles will come as early as 2016.

p. 34

► Dialogue

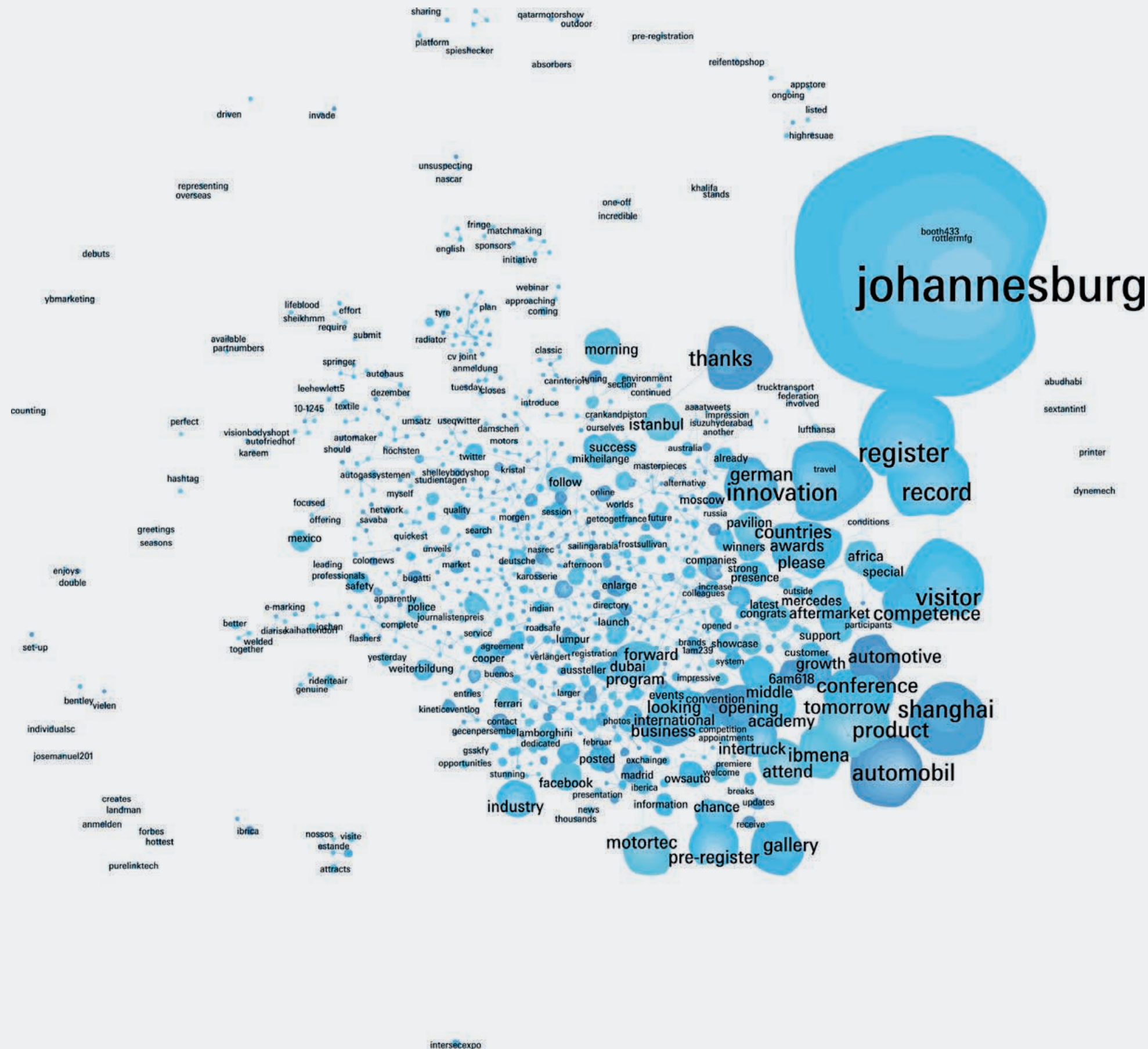
Klaus-Peter Kessler and the team from Automechanika bring pros, manufacturers and trucker fans together.

► Partnership

Klaus-Peter Kessler organises a special truck sport show at the Automechanika, in which racing, rally and trial trucks show what they’re technically capable of.

► Messe Frankfurt

Mobility & Infrastructure



Mobility & Infrastructure


Mobility and functioning infrastructure are key elements for economic prosperity. Messe Frankfurt provides a global stage for these growth industries.

The strongest show brand in this segment is Automechanika, which addresses manufacturers of automotive parts and accessories, retailers, workshops and damage management. In addition to Automechanika Frankfurt, which has been an international industry meeting place for over 40 years, the show is held at 12 other venues on four continents and opens up the local regional markets. Some 13,000 exhibitors and half a million visitors are behind the Automechanika brand and its worldwide events.

In the transport and logistics sectors Messe Frankfurt can also boast two highly successful events in its portfolio: RailLog Korea has been staged in Busan, the starting point for the future Trans-Asia Railway network, since 2003. Held every two years, this is the only trade fair for the railway industry in Korea and is thus an important marketplace for the industry both in Korea and the whole of Asia. In 2011, the event ranked fourth in terms of gross exhibition space among the world's major railway fairs. Industry meeting place for warehousing, transport and logistics systems is Materials Handling Middle East in the trade hub Dubai. The international trade fair, which took place for the seventh time in 2013, is popular with all those in the industry looking to become networked in the fields of materials handling, supply chain and warehousing technologies.

What do people speak about on the Net?

The diagram on the left shows an evaluation of the dialogues in social media channels relating to various Messe Frankfurt trade fairs. The evaluation is based on Tweets, Google searches, Facebook posts and posts on YouTube. The most frequently used terms were positioned on this map and their correlations determined.

- **Evaluated trade fairs**
 - Automechanika
 - ↑
← ● →
↓
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Stands for the frequency with which a term was named in relation to the respective trade fair.
 - — ●
Clusters/links
Terms clustered together come from the same post or a direct response to a post (thread).
 -  **Concentric forms**
The number of concentric forms indicates in how many different variants a term was posted (for example: "energy", "energetic", "energy-saving", etc.).

Kurt Sigl

is president of the German Federal Association for E-Mobility (BEM) and a self-confessed car buff. However, he's only driven an electric car himself since 2012. Some have therefore accused him of making a volte-face. The metaphor fits – because rapid change is right up Sigl's street.

When will the last combustor roll off the assembly line in Germany?

I'm no ideologist, I wouldn't dream of prohibiting anything. For me, it's all about alternatives. And they will come, that much is certain. People's mobility patterns are changing. Smaller cars, car sharing, inner city tolls – in ten years' time we won't recognise our traffic world.

Where do you get your optimism?

You need to look no further than the Motor Show in Las Vegas. Or better still: just ask your kids! No one cares any more about the car – but everyone is interested in the tablet in the interior. Motorisation will in the foreseeable future no longer be car manufacturers' core competence. This is where we, in Germany in particular, have to watch out. Because I'm not just talking about emails in cars, but about the integrated networking of vehicles and automated driving ... and as a manufacturer you're "Google" faster than you think.

And what has that got to do with e-mobility?

A lot. People want to get from A to B individually and ad hoc by the most convenient means of transport: the focus of mobility will no longer be the car, but the app that brings all the parts of the puzzle together and seamlessly organises all the interfaces. In Germany today there are 45 million vehicles on the road. Of these, 11 million are second or third vehicles. On average they don't do more than 30 kilometres a day. Even now, this requirement could easily be covered by electric vehicles. And when it comes to going on holiday you can take the family car or the train, plane, bike ... it's the mix that's important.

But there's still some way to go before this scenario becomes reality, isn't there?

Well, I suspect some people may end up rubbing their eyes in amazement. I predict the breakthrough will come as early as 2016. By 2020, we will have around three to four million electric vehicles on the road in Germany and not just one million, as the German government intends. The signs are appearing everywhere: the Tesla Model S is already one of the top-selling luxury cars in the US and in Sweden the Nissan Leaf has even overtaken the Golf with 100,000 cars sold. For Germany as a technology location the pressure is on. Others are more active in this field. We've fallen behind and now have some catching up to do.

Dr Hannes Hesse, executive director of the VDMA, says we shouldn't rest on our laurels. Inactivity is the start of the slippery slope.

► Dialogue

An interdisciplinary exchange about the systemic approach places the user of the complete electric mobility system in the focus.

► Partnership

Cooperation within the scope of Auto-mechanika and IAA Cars. The BEM is represented at Automechanika 2014 for the second time with its own hall.

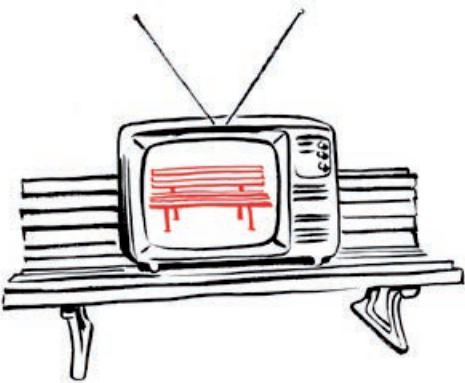
► Messe Frankfurt

Mobility & Infrastructure
Guest shows, congresses & events



Judith Rakers

doesn't like pigeonholes. "Tagesschau" news anchor, host of the talkshow "3nach9", presenter of the Eurovision Song Contest, bag lady by choice ... Rakers views it as a privilege to be between different chairs.



What makes for good TV presenting?

That depends. When reading the news on the "Tagesschau" your delivery should be neutral and under no circumstances judgemental. Your choice of language, voice and intonation need to be perfectly trained. Nothing should distract – because here the news is clearly the star. With a talkshow format like "3nach9" it's repartee, sensitivity, empathy, quick-wittedness and a talent for improvisation that count. And for a major show event like the ESC 2011 – in three languages and in front of an audience of 120 million – you above all need to be able to take the pressure (laughs).

For a report on homelessness among women you put yourself in their shoes and lived on the streets for 30 hours. Is that a counter-programme to your work as a news anchor?

I'd rather call it a "supplementary programme". And in a way it also ties in with my journalistic roots. Homelessness was also the topic of the very first newspaper article I wrote. I was 19 at the time and as part of my internship on a daily newspaper had to look for possible topics. I suggested a portrait about a homeless tramp I'd noticed in town. Three days later, my article about "Heinz" and his dog "Fräulein" appeared in print. The topic has fascinated me ever since.

But why the self-experiment?

I thought for a long time about what form to choose and decided on a self-experiment because that was the only way to meet the affected women on equal terms. Other questions come into your head when you're hungry and thirsty yourself and don't know where you're going to doss down for the night. I wanted to establish a level playing field and to know what it feels like not to have a roof over your head.

What made the strongest impression on you during the experiment?

The women I met. They were so vulnerable and yet so strong and kind. And I'll never forget the night under the bridge and the piece of advice given to me by 19-year-old Ricky. As I went to zip up my sleeping bag she said: "If you close the zip you won't be able to get out quickly enough if someone sets it alight." Unfortunately that's the sad reality: the homeless are often the target of attacks. Violence is everywhere.

And what have you learnt from your experience?

What it's like to be a social outcast. The moment I removed my make-up and huddled on the street in an old parka, I became invisible to others. No one speaks to the homeless. Everyone just looks straight through you. The aim of the film was to help to break down this wall. And judging by the number of responses we received after the programme went out, I know it worked.

"The greatest privilege of prosperous societies is that we can afford to be fair," says designer Dunja Karabaic.

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► **Dialogue**

As a self-confessed techie freak, Judith Rakers repairs all the broken equipment in her home. When presenting, she tries to build a bridge between technology and entertainment for a wide audience.

► **Partnership**

Judith Rakers regularly hosts opening events for technology fairs such as Light + Building or ISH.

► **Messe Frankfurt**

Technology & Production



Anne Marie Commandeur

knows what's happening. The trend researcher from Amsterdam observes everyday life and draws interesting conclusions for the future.

Are you a "historian", "eccentric", "inventor" or "geologist"?

These are all names for figures we invented to talk about trends in fashion and interior design. We don't only define trends on the basis of materials, colours or new technologies, but above all people and their needs. The "historian", for example, stands for the desire to link the present with the past. I find it interesting that especially younger people today are searching for authentic experiences and objects with a history and an origin. Personally, I am, like most people, a bit of all these things. But I recognise myself most strongly as the "eccentric" and "inventor" type – I'm constantly looking for something a bit different and like creating new things that make life exciting.

What do things say about people?

We use objects to express ourselves and tell others what we're like. The things we surround ourselves with, or how we dress, say a lot about what is important to us. These days people take very conscious decisions. That has to do with the economic situation. When I buy something, it has to have a value. It has to last for a long time and mean something to me. So everything has a positive side: people want to waste less and think about what's really important to them.

Peter Reisen­thel explains why in his view design determines a product's soul, or spirit. This spirit can't be copied; on the contrary, it lives from its authenticity.

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► **Dialogue**

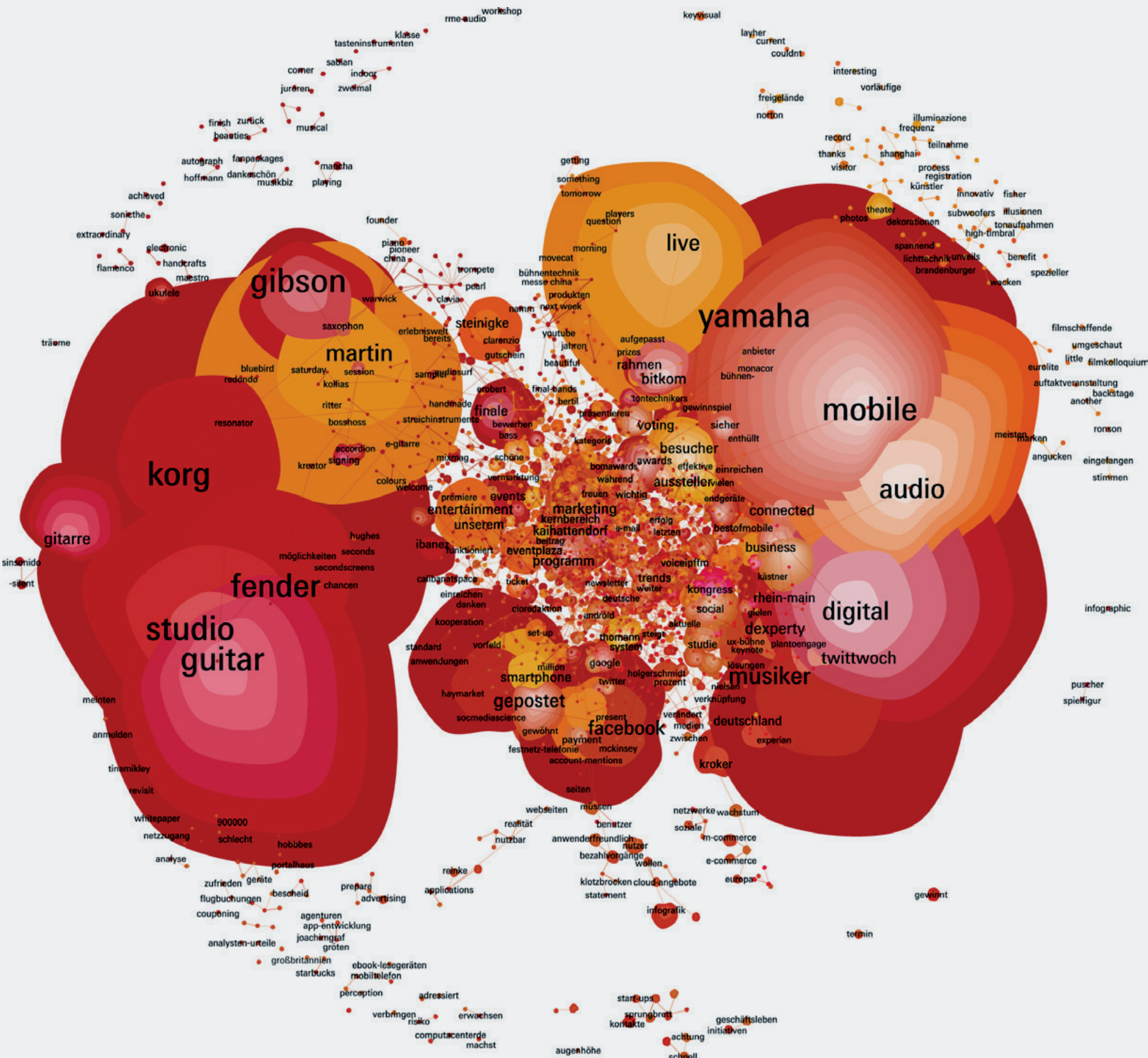
Messe Frankfurt events are a radar for future trends. Through its regularly published trend books and trend reports, the company provides a platform for an exchange about influences and new ideas.

► **Partnership**

Anne Marie Commandeur among other things develops trend shows and trend books for the Heimtextil trade fair. In 2013, she published her trend book "Being", in which fictive personalities describe today what is going to be important tomorrow.

► **Messe Frankfurt**

Textiles & Textile Technologies



Live entertainment, cultural, creative, digital or media industry: Messe Frankfurt offers its customers dedicated business and networking platforms aimed at successfully networking the high level of innovative strength of these industries in the international arena.

As the international showcase fair for musical instruments and sheet music, music production and marketing, Musikmesse, together with Prolight + Sound as the largest international trade fair for technologies and services for events, installation and production, with events in Frankfurt, Moscow, Shanghai and Guangzhou, create strong and, above all, economy-boosting market and sales platforms for their exhibitors and visitors.

New impulses also come from event formats such as M-Days, Email-Expo and Webchance. These are not only restricted to industries directly related to digital media and services, but also provide a platform for a whole spectrum of business opportunities. Due to their broad-based offering, these events have also become an important point of contact for market participants in traditional economic sectors such as the consumer goods industry.

What do people speak about on the Net?

The diagram on the left shows an evaluation of the dialogues in social media channels relating to various Messe Frankfurt trade fairs. The evaluation is based on Tweets, Google searches, Facebook posts and posts on YouTube. The most frequently used terms were positioned on this map and their correlations determined.

Evaluated trade fairs

Email-Expo

M-Days

Musikmesse

Prolight + Sound

↑

Size of the coloured areas/type

←

→

Stands for the frequency with which a term was named in relation to the respective trade fair.

—

Clusters/links

Terms clustered together come from the same post or a direct response to a post (thread).

Concentric forms

The number of concentric forms indicates in how many different variants a term was posted (for example: “energy”, “energetic”, “energy-saving”, etc.).

Ann Kathrin Linsenhoff

is an extraordinary family person. As a dressage rider, she won Olympic gold – like her mother 20 years before her. Today she is vice chairperson of UNICEF Germany and initiator of a foundation for children's rights. This commitment is also a family affair.

There is a United Nations' Universal Declaration of Human Rights. Why do children need separate rights of their own?

Children are especially vulnerable, because the weakest are always hit the hardest. In crises and conflicts, like in Syria, for example, children are always the first to suffer. That's why children need special protection. But that doesn't only apply to the developing nations. Even in Germany not all children enjoy a non-violent upbringing, even though it is their right. I therefore decided to speak out on behalf of children. Under the UNICEF umbrella, I set up a foundation aimed at providing children with better access to education. To this end we have initiated the "Schutznetz für Kinderrechte" (protection network for children's rights) project.

Regina Kaczmarek promotes better education for children in another way – in the "Lotus Outreach" programme. As an internationally-oriented city with a sense for the fundamental things in life, Frankfurt is the ideal location.

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What is your role in your foundation?

Only personal experiences and actions are credible. I'm no "desk junkie" and so I visit all our projects myself. That's a real eye-opener, I can tell you. In 2005 and 2010, for example, I was in the Sudan, where we are running the "village school for girls" project. Girls in the Sudan usually work in the household and are often married off much too young. Many parents therefore see no point in sending their daughters to school. So we bring the school directly to the village in order to make it easier and a more normal part of life.

Child soldiers are another problem. In many conflicts children are forced to become soldiers. Kids that go to war at the age of 12 and come back home at 17 have become strangers in their own family. So we have set up special schools for former child soldiers that not only enable them to catch up on their education, but also to cope with their own situation. Last time I visited I saw that two of the former child soldiers have themselves become teachers at our school ... that made me happy.

How do you manage it all?

The foundation is a family project. You can't do this sort of thing alone and nor would I want to. You can't do something for children without involving children. My 12-year-old daughter supports me with my jury work for the "UNICEF junior ambassador", for example. My son did an internship at an orphanage in Thailand. And my husband accompanies me on all my visits. I realised from the start that these visits would change me for life, so that's why I wanted us to do it together.

"Tagesschau" news anchor Judith Rakers seeks direct contact on an equal footing to enable her to speak more effectively about homelessness in Germany.

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► Dialogue

Three of Ann Kathrin Linsenhoff's horses have the byname UNICEF. Like this, equestrian sporting events become a platform for raising public awareness of children's rights.

► Partnership

Ann Kathrin Linsenhoff is co-organiser of the International Festhalle Riding Tournament held every year a week before Christmas in the Festhalle in Frankfurt am Main.

► Messe Frankfurt

Guest shows, congresses & events



Alexander Otto

is CEO of real estate specialist ECE. Ensuring the stationary retail market can hold its own against online retailing above all requires sensitivity, says the manager of 189 shopping arcades with over six million square metres of sales floor space.

What makes a town or city successful?

Many factors contribute to a town’s or a city’s success – for example economic power, business, culture, leisure and education opportunities. Urban attractiveness also plays an important role. Towns or cities that score points in these areas have a strong appeal and not only attract tourists, but are also growing – despite the general demographic change.

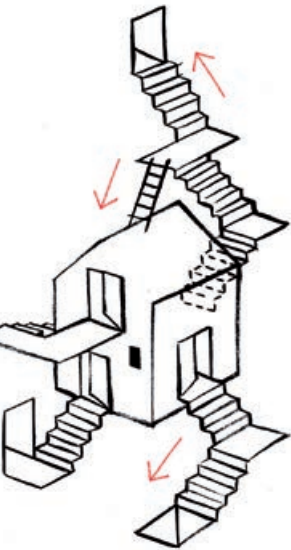
What is the ideal mix of living, working and shopping?

There is a clear trend: people are migrating back to the cities. The division between living, working, shopping and culture propagated in the past is a long-outdated concept from the last century. “Compact cities” are the modern-day urban planning model. In many cities new and vibrant districts are growing up on vacated inner-city areas – for example the Europa district in Frankfurt on the site of the former goods station. Here, with the Skyline Plaza shopping centre and the Kap Europa congress building, ECE has contributed two important components that play a crucial part in the overall success of the new city district.

What new forms of marketplace are currently emerging?

Online retailing is growing rapidly. Nevertheless, there’s no reason for stationary retailers with their bricks-and-mortar city-centre stores to give in to the competition from the Internet. That’s the outcome of a study conducted by Roland Berger Strategy Consultants and ECE, which asked around 42,000 consumers about their buying behaviour. Even among the young generation of “digital natives” that have grown up with the Internet, there is a large group of consumers that shop almost exclusively in traditional stores. What’s most important to them is the emotional shopping experience.

Based on the findings of the study, ECE is testing new interactive service offerings at the Alstertal shopping centre in Hamburg and at Limbecker Platz in Essen – from a virtual orientation system, via a wide range of social media links, to interactive games areas. These “future labs” serve as experimental ground for new technical trends and ideas. The results of the study and the first experiences with the “future labs” illustrate one thing very clearly: shopping centres in particular provide the best possible conditions for transferring the practical aspects of the online world to a unique offline world. By intelligently combining the available opportunities, it’s possible for customers in the real centre world to enjoy an inspiring shopping experience that doesn’t exist on the Net and never will.



► **Dialogue**
Kap Europa is Messe Frankfurt’s congress centre in the Europa district and a venue for a wide range of event formats – whether congresses, meetings, incentives, cultural shows or events.

► **Partnership**
ECE was Messe Frankfurt’s partner in the development of Kap Europa. In conjunction with the Skyline Plaza shopping arcade, an interesting mix of meetings, work, leisure and shopping is growing up in immediate proximity to the exhibition grounds.

► **Messe Frankfurt**
Kap Europa congress centre

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Regina Kaczmarek sings the praises of the city – or, to be more precise: of the city of Frankfurt. The tension between “The Coronation of the Emperor” and allotment area, sky scrapers and apple wine bars makes Frankfurt one of Germany’s most attractive cities – and this is even confirmed by the New York Times.



Regina Kaczmarek

knows Frankfurt like the back of her hand. For the owner of the “Kaczmarek” location scout agency, Frankfurt is a miniature version of a metropolis that prefers to compare itself to New York than to Hamburg or Berlin.

How would you describe Frankfurt?

Munich is “museum”. Cologne is “ageing rocker”. Berlin is “party”. Cities live from their diversity and their contradictions. Frankfurt’s got plenty of both. The city comes somewhere in between the coronation of the emperor and allotment area. It is Germany’s most cosmopolitan city with historic splendour. It boasts great culture, some of the tallest buildings in Europe, the airport and one of the most important financial centres in the world. On the other hand there is the city’s residents’ desire to be normal and unpretentious – green sauce and ebbelwoi*. This balance is important for the city. Frankfurt’s inhabitants react sensitively when outdated – but cherished – things disappear, such as the Henninger Tower, a Frankfurt hallmark visible from afar that recently had to give way to an ambitious real estate project.

What makes Frankfurt attractive as a film location?

On the one hand the short distances and on the other hand the diversity of the location. There are only two cities in the world that can boast a high-rise building with two towers between which you can balance a slagline – and one of them is Frankfurt. There are roofs you can put cars on, urban canyons, allotments, new and old buildings, and not to forget: the architecture of the exhibition grounds ... there’s nowhere else in the world with a mix like it.

► **Dialogue**
Messe Frankfurt’s exhibition grounds are a striking ensemble of modern architecture. Internationally renowned architects such as Helmut Jahn and Nicholas Grimshaw have shaped the face of Messe Frankfurt and the city.

► **Partnership**
Regina Kaczmarek works closely with Messe Frankfurt and utilises the exhibition grounds for film productions and commercials for her international customers.

► **Messe Frankfurt**
Corporate

* Ebbelwoi (Hessian dialect): apple wine, a typical Frankfurt beverage with a slightly tart flavour, usually served in a “Bembel”, a rounded stoneware jug.

Messe Frankfurt's exhibition grounds offer a choice of nine exhibition halls, the Festhalle (Festival Hall), Forum, Portalhaus and Congress Center for events of all kinds. From May 2014, the available space has been extended by the Kap Europa congress centre located within the Europa district in the immediate proximity of the exhibition grounds.

Guest shows

Guesting with the pros

Since 1949, Messe Frankfurt has regularly hosted guest shows at its exhibition grounds, including such prestigious trade fairs as the International Motor Show IAA Cars, the Frankfurt Book Fair, ACHEMA, IMEX Frankfurt, EWEA Offshore, CPhI & Food Ingredients Europe as a double bill, as well as EuroMold – world fair for mouldmaking and tooling, design and application development. The latter celebrated its 20th anniversary in 2013. A high level of satisfaction also among the organisers of IAA: this time, with electromobility and the “networked car”, the world's most important mobility fair focused on two areas of innovation. More analogue, by contrast, was the guest of honour at the Frankfurt Book Fair, Brazil. Under the slogan “A land full of voices”, visitors were able to admire a hands-on homage to paper and literature.

Congresses

Highly prized!

2013 was also a year of important events for Congress Frankfurt, with 36 percent of events counting over 1,000 participants (2012: 31 percent). In total, meetings and congresses held at the Messe Frankfurt exhibition grounds drew 93,000 visitors. Congress Frankfurt is part of Messe Frankfurt and is responsible for marketing the exhibition grounds for meetings and congress events. With great success: in 2013, the Messe Frankfurt Congress Center was recognised by the British trade journal Business Destinations as the best congress and meeting centre in Europe.

From May 2014, the Kap Europa congress centre has extended Messe Frankfurt's venue portfolio. The keen interest in the new building is demonstrated not only by the numerous bookings that had already been taken when the centre opened. Even before the official opening, the leader of Germany's CDU party, Angela Merkel, addressed a campaign rally for the European elections at the Kap Europa building. Kap Europa offers space for congresses and meetings with up to 2,400 participants and thus closes a gap in the Frankfurt Rhine/Main region between the capacities offered by the exhibition grounds on the one hand

and the city's hotels on the other. On opening, the building was the first conference centre worldwide to be awarded the German Sustainable Building Council's certificate in gold for its “green” concept.



Events

True all-rounder

Hardly any other venue has as much charm as the Festhalle. At over a hundred years old, the domed building steeped in history serves as a top location for all kinds of international events. However, the Festhalle is also an impressive backdrop for large-scale presentations at international trade fairs and innovative product shows, as well as a unique stage for glamorous galas and jubilees, major sporting events and fabulous shows.

Once again in 2013 audiences were captivated by the versatile mix of events – which the Festhalle lived up to in every respect: from international artists like Eric Clapton, Pink, Thirty Seconds To Mars and Black Sabbath, via the equestrian show Apassionata and the Cirque du Soleil, to the BMW Frankfurt Marathon, the International Festhalle Riding Tournament and the Aida Night of the Proms – the “Grande Dame” did herself proud on every occasion.

Apart from the Festhalle, the various areas and halls in the exhibition grounds can be used for all manner of event concepts.

Service is writ large at Messe Frankfurt – so large it has earned a distinction: in the “Service Champions” study conducted at the end of October by ServiceValue GmbH in cooperation with the newspaper “Die Welt” and the Goethe University Frankfurt am Main, the company was ranked “Service Champion No. 1” within the German exhibition industry.

accenteservices

The way to success goes through the stomach

Bigger and better: during IAA Cars alone with almost 900,000 visitors and over 1,000 exhibitors, more than 2,500 staff a day ran a large-scale operation for the Accente service specialists: at the 60 or so snack bars, in 22 restaurants and cafés they provided the catering for our guests, who in the course of the 13 days of the show among other things consumed nearly 350,000 sausages and 18,000 kilogrammes of French fries.

“Flexible”, “innovative” and “service-oriented” are the buzzwords that describe how Accenteservices, a subsidiary of Messe Frankfurt and Germany's biggest trade fair catering company, operates. The company is, among other things, also responsible for event catering at the Kap Europa congress centre. The task here was above all to develop a concept for sustainable management and catering. But that's not all: since January 2014, Accente has gone one step further when it comes to stand delivery. A new range of regional and seasonal, and therefore less resource-intensive, produce is now also offered.

fairconstruction

Fairconstruction takes on the world

As a brand of Messe Frankfurt, Fairconstruction stand construction services is increasingly focusing growth on international business. The premiere during the Intersec security trade fair in Dubai was already an enormous success: with as many as 63 stand packages implemented at the first go. As well as Dubai, Fairconstruction now also provides its services in Russia and Italy, with plans to expand to other countries in the future.

But also “at home” at the Frankfurt location the stand constructors once again proved that they are ready to tackle anything: for the Republic of Brazil they were responsible for the exceptional stand design at the Frankfurt Book Fair. The paper construction for the 2,500-square-metre stand area is considered unique in the German exhibition landscape and generated an order volume of around one million euros.

dexperty

Digital expertise made by Messe Frankfurt

Messe Frankfurt's extensive range of digital services places it amongst the pioneering companies worldwide in the industry. With good reason: over three quarters of visitors at Messe Frankfurt's trade fairs utilise their smartphone or tablet during events. In the meantime every sixth call up of Messe Frankfurt's online offerings is made from a mobile device (2012: every 20th). The company is therefore systematically broadening its online expertise: in 2013, for example, by enhancing the existing online presence for smartphones & co., as well as relaunching the Messe Frankfurt calendar and the exhibitor search, which now lists results according to relevance for the user and is unique in the exhibition industry.

One of the biggest new deals, however, is the cooperation between Messe Frankfurt und Google™ initiated in October 2013. Messe Frankfurt is the first exhibition company in the world authorised to offer and implement AdWords campaigns for Germany as a certified Google™ premium SME partner.



Overall activities of Messe Frankfurt in 2013

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2013

Exhibitors					Net area (in m²)	Visitors		
	Number of events	Germany	Other countries	Total	incl. special show space	Germany	Other countries	Total
■ Airtec		93	126	219	4,309	2,144	2,645	4,789
■ Ambiente		1,165	3,549	4,714	191,597	72,106	67,261	139,367
■ Buchmesse ¹⁾		2,827	4,448	7,275	100,000	142,921	132,421	275,342
■ Christmasworld		247	696	943	57,161	13,935	16,706	30,641
■ CPhI		242	1,963	2,205	72,219	6,488	27,481	33,969
■ Creativeworld		77	162	239	9,560	4,024	3,181	7,205
■ Euro ID		71	22	93	1,328	968	507	1,475
■ EuroMold		634	422	1,056	29,800	38,593	20,080	58,673
■ Fireprotec		32	0	32	222	1,231	8	1,239
■ Food Ingredients Europe		199	1,050	1,249	34,414	4,511	12,884	17,395
■ Hair & Beauty		111	38	149	5,254	9,372	228	9,600
■ Heimtextil		324	2,292	2,616	120,767	22,577	43,258	65,835
■ IAA		637	461	1,098	202,127	731,313	149,787	881,100
■ IFFA		410	556	966	72,770	23,209	37,300	60,509
■ IMEX		474	2,991	3,465	20,985	4,208	4,620	8,828
■ ISH		1,017	1,419	2,436	172,354	123,594	63,985	187,579
■ Musikmesse		468	902	1,370	40,400	48,574	22,289	70,863
■ Paperworld		347	1,437	1,784	53,995	17,129	28,231	45,360
■ Prolight + Sound		354	539	893	37,021	21,667	21,046	42,713
■ Techtextil		443	887	1,330	29,716	11,747	15,671	27,418
■ Tendence ²⁾		790	500	1,290	56,735	30,338	6,968	37,306
■ Texprocess		111	219	330	13,613	5,798	6,330	12,128
International trade fairs	22	11,073	24,679	35,752	1,326,347	1,336,447	682,887	2,019,334

1) Messe Frankfurt estimate, unconfirmed figures provided by the organiser
2) Figures incl. Webchance and Ecostyle

Exhibitors					Net area (in m²)	Visitors		
	Number of events	Germany	Other countries	Total	incl. special show space	Germany	Other countries	Total
■ Facility Management		124	10	134	3,008	4,846	166	5,012
■ Other trade exhibitions	3	410	0	410	18,975	9,500	0	9,500
■ Trade exhibitions	4	534	10	544	21,983	14,346	166	14,512

■ Land & Genuss		180	6	186	4,474	17,118	0	17,118
■ Sales marts and exhibitions	9	1,394	0	1,394	29,765	121,000	0	121,000
Exhibitions open to the public	10	1,574	6	1,580	34,239	138,118	0	138,118

Trade fairs and exhibitions at the Frankfurt exhibition venue in 2013

Exhibitors					Net area (in m²)	Visitors		
	Number of events	Germany	Other countries	Total	incl. special show space	Germany	Other countries	Total
■ International trade fairs	22	11,073	24,679	35,752	1,326,347	1,336,447	682,887	2,019,334
■ Trade exhibitions	4	534	10	544	21,983	14,346	166	14,512
■ Exhibitions open to the public	10	1,574	6	1,580	34,239	138,118	0	138,118
	36	13,181	24,695	37,876	1,382,569	1,488,911	683,053	2,171,964

Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue in 2013

Exhibitors					Net area (in m²)	Visitors		
	Number of events	Germany	Other countries	Total	incl. special show space	Germany	Other countries	Total
■ EMV		61	26	87	1,463	2,173	445	2,618
■ Greenshowroom (Winter) ³⁾		51	48	99	729	1,837	603	2,440
■ Greenshowroom (Summer) ³⁾		51	52	103	840	2,090	577	2,667
■ Parken		78	13	91	1,416	1,177	89	1,266
■ PCIM Europe (trade fair/congress)		201	191	392	9,937	5,045	2,838	7,883
■ SMT Hybrid Packaging		338	178	516	13,845	16,015	4,004	20,019
■ SPS IPC Drives		1,137	485	1,622	69,980	46,248	13,779	60,027
	7	1,917	993	2,910	98,210	74,585	22,335	96,920

3) incl. the Ethical Fashion Show Berlin (EFSB)

Trade fairs and exhibitions in Germany in 2013

Exhibitors					Net area (in m²)	Visitors		
	Number of events	Germany	Other countries	Total	incl. special show space	Germany	Other countries	Total
■ International trade fairs	26	12,810	25,559	38,369	1,421,572	1,405,928	703,953	2,109,881
■ Trade exhibitions	7	714	123	837	24,968	19,450	1,435	20,885
■ Exhibitions open to the public	10	1,574	6	1,580	34,239	138,118	0	138,118
	43	15,098	25,688	40,786	1,480,779	1,563,496	705,388	2,268,884

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

Events outside Germany in 2013

Consumer Goods & Leisure					Net area (in m²)	Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space	Host country	Other countries	Total
Ambiente								
IFFT/Interior Lifestyle Living		201	26	227	5,400	18,864	404	19,268
Interior Lifestyle China		177	106	283	7,176	16,768	247	17,015
Interior Lifestyle Tokyo		473	232	705	11,181	24,728	728	25,456
	3	851	364	1,215	23,757	60,360	1,379	61,739
Beautyworld								
Beautyworld Japan		432	83	515	13,697	57,451	1,113	58,564
Beautyworld Japan West		205	5	210	4,853	16,099	133	16,232
Beautyworld Middle East		180	909	1,089	17,897	14,831	10,901	25,732
	3	817	997	1,814	36,447	88,381	12,147	100,528
Paperworld								
Hong Kong International Stationery Fair		51	168	219	2,247	9,920	9,412	19,332
Paperworld China		366	55	421	7,934	16,879	2,978	19,857
Paperworld Middle East		22	218	240	4,070	2,533	2,024	4,557
Playworld Middle East		10	18	28	515	1,043	128	1,171
	4	449	459	908	14,766	30,375	14,542	44,917
Independent – Leisure & Entertainment								
Interpets		221	18	239	3,203	47,372	207	47,579
	1	221	18	239	3,203	47,372	207	47,579
Total Consumer Goods & Leisure	11	2,338	1,838	4,176	78,173	226,488	28,275	254,763

Textiles & Textile Technologies				Exhibitors		Net area (in m²)	Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space		Host country	Other countries	Total
Apparel Sourcing									
Apparel Sourcing Paris (Autumn) ⁴⁾		0	195	195	2,220		0	0	0
Apparel Sourcing Paris (Spring) ⁵⁾		0	72	72	813		0	0	0
International Apparel Sourcing Show		6	137	143	1,515		833	76	909
	3	6	404	410	4,548		833	76	909
Heimtextil									
Heimtextil Russia		124	188	312	8,956		19,204	802	20,006
	1	124	188	312	8,956		19,204	802	20,006
Home Textiles Sourcing									
Home Textiles Sourcing Expo		3	146	149	1,686		563	82	645
	1	3	146	149	1,686		563	82	645
Interstoff									
Interstoff Asia Essential – Autumn		25	149	174	2,387		4,361	2,427	6,788
Interstoff Asia Essential – Spring		29	200	229	2,682		5,157	2,087	7,244
	2	54	349	403	5,069		9,518	4,514	14,032
Intertextile (Apparel)									
Intertextile Beijing Apparel Fabrics		1,023	321	1,344	23,929		21,376	3,702	25,078
Intertextile Shanghai Apparel Fabrics		2,771	980	3,751	82,617		52,766	16,300	69,066
	2	3,794	1,301	5,095	106,546		74,142	20,002	94,144
Intertextile (Home)									
Intertextile Guangzhou Home Textiles		212	6	218	8,358		22,498	3,231	25,729
Intertextile Shanghai Home Textiles – Autumn Edition		1,067	254	1,321	69,945		34,088	5,101	39,189
Intertextile Shanghai Home Textiles – Spring Edition		305	11	316	13,564		10,488	806	11,294
	3	1,584	271	1,855	91,867		67,074	9,138	76,212
Techtextil									
Techtextil India		89	93	182	3,201		5,575	0	5,575
Techtextil North America (Atlanta)		37	37	74	850		900	189	1,089
	2	126	130	256	4,051		6,475	189	6,664
Texworld									
Texworld (Autumn) ⁴⁾		1	839	840	14,757		2,056	12,172	14,228
Texworld (Spring) ⁵⁾		3	549	552	10,738		2,007	9,970	11,977
Texworld USA (Autumn)		23	415	438	5,022		3,267	471	3,738
Texworld USA (Spring)		21	217	238	2,808		3,426	201	3,627
	4	48	2,020	2,068	33,325		10,756	22,814	33,570
Yarn Expo									
Yarn Expo Autumn		56	93	149	1,926		5,414	601	6,015
Yarn Expo Spring		97	97	194	2,939		5,701	760	6,461
	2	153	190	343	4,865		11,115	1,361	12,476
Total Textiles & Textile Technologies	20	5,892	4,999	10,891	260,913		199,680	58,978	258,658

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

Technology & Production				Exhibitors		Net area (in m²)	Visitors		
	Number of events	Host country	Other countries	Total	incl. special show space		Host country	Other countries	Total
Intersec									
Intersec		157	859	1,016	20,026		10,573	10,976	21,549
Secutech		343	167	510	12,683		23,006	2,801	25,807
Secutech India		94	19	113	3,567		12,745	699	13,444
Secutech Thailand		38	61	99	2,001		6,147	155	6,302
Secutech Vietnam		35	50	85	1,482		4,009	119	4,128
Seguriexpo Buenos Aires		53	8	61	704		4,759	289	5,048
	6	720	1,164	1,884	40,463		61,239	15,039	76,278
ISH									
ISH China & CIHE		723	158	881	32,650		35,347	1,550	36,897
ISH Shanghai & CIHE		198	51	249	4,225		9,627	556	10,183
	2	921	209	1,130	36,875		44,974	2,106	47,080
Light + Building									
BIEL Light + Building Buenos Aires		196	122	318	8,521		26,813	1,377	28,190
Guangzhou International Lighting Exhibition		2,530	321	2,851	108,964		94,957	22,026	116,983
Interlight Moscow powered by Light + Building		318	468	786	15,898		33,754	3,584	37,338
Light Middle East		37	214	251	3,184		3,679	1,345	5,024
Shanghai Intelligent Building Technology		120	15	135	2,688		12,213	549	12,762
	5	3,201	1,140	4,341	139,255		171,416	28,881	200,297
SPS									
SIAF – SPS Industrial Automation Fair Guangzhou		437	11	448	9,390		27,161	1,000	28,161
SPS IPC Drives Italia		370	148	518	16,722		18,058	0	18,058
	2	807	159	966	26,112		45,219	1,000	46,219
Texcare									
Texcare Asia		99	51	150	6,555		7,515	1,038	8,553
	1	99	51	150	6,555		7,515	1,038	8,553
Independent – Building & Energy									
Expo Ferretera		245	22	267	5,145		16,646	257	16,903
Hardware + Tools Middle East		17	205	222	2,337		2,245	896	3,141
	2	262	227	489	7,482		18,891	1,153	20,044
Independent – Environment									
Canadian Waste & Recycling Expo		132	75	207	3,759		1,217	106	1,323
Eco Expo Asia		208	89	297	3,480		7,775	5,177	12,952
Water Expo China		94	40	134	2,878		21,003	3,308	24,311
Watertech India		45	1	46	1,092		1,403	0	1,403
	4	479	205	684	11,209		31,398	8,591	39,989
Independent – Production Technology									
AsiaMold		263	15	278	4,842		14,628	2,643	17,271
Nano Micro Biz		170	16	186	2,276		9,541	132	9,673
	2	433	31	464	7,118		24,169	2,775	26,944
Independent – Production Technology & Science									
Thermotec		162	36	198	3,478		8,855	39	8,894
	1	162	36	198	3,478		8,855	39	8,894
Total Technology & Production	25	7,084	3,222	10,306	278,547		413,676	60,622	474,298

Mobility & Infrastructure				Exhibitors		Net area (in m ²)	Visitors		
	Number of events	Host country	Other countries	Total		incl. special show space	Host country	Other countries	Total
Automechanika									
ACMA Automechanika New Delhi		145	111	256		4,192	7,658	438	8,096
Automechanika Dubai		168	1,341	1,509		26,272	11,641	12,558	24,199
Automechanika Istanbul		709	536	1,245		27,818	31,453	12,359	43,812
Automechanika Kuala Lumpur		41	149	190		2,116	3,692	669	4,361
MIMS powered by Automechanika Moscow		741	871	1,612		25,284	28,418	3,512	31,930
Automechanika Shanghai		4,097	521	4,618		105,000	60,633	21,303	81,936
PAACE Automechanika Mexico City		131	412	543		7,185	17,757	2,500	20,257
7		6,032	3,941	9,973		197,867	161,252	53,339	214,591
Independent – Transport & Logistics									
Materials Handling Middle East		49	63	112		3,376	2,693	677	3,370
RailLog Korea		142	16	158		6,200	21,300	600	21,900
2		191	79	270		9,576	23,993	1,277	25,270
Total Mobility & Infrastructure		9	6,223	4,020	10,243	207,443	185,245	54,616	239,861

Entertainment Media & Creation				Exhibitors		Net area (in m²)	Visitors		
	Number of events	Host country	Other countries	Total		incl. special show space	Host country	Other countries	Total
Musikmesse									
Music China		1,347	333	1,680		44,560	65,218	3,403	68,621
NAMM Musikmesse Russia		39	25	64		1,527	6,819	173	6,992
2		1,386	358	1,744		46,087	72,037	3,576	75,613
Prolight + Sound									
Prolight + Sound Guangzhou		916	6	922		48,158	45,839	2,522	48,361
Prolight + Sound NAMM Russia		56	11	67		1,823	5,498	111	5,609
Prolight + Sound Shanghai		415	29	444		14,004	22,187	1,682	23,869
3		1,387	46	1,433		63,985	73,524	4,315	77,839
Total Entertainment Media & Creation		5	2,773	404	3,177	110,072	145,561	7,891	153,452
Overall activities of Messe Frankfurt outside Germany		70	24,310	14,483	38,793	935,148	1,170,650	210,382	1,381,032

Congresses, conventions and other activities in 2013

Exhibitors					Net area (in m²)	Visitors			
	Number of events	Germany	Other countries	Total			Germany	Other countries	Total
					incl. special show space				
Congresses and conferences at the exhibition centre not linked to trade fairs	75					100,194	208		100,402
Conventions (concerts, sporting, religious, political and other events)	58					541,817	0		541,817
German pavilions (planning and implementation of trade fair participations)	20					0	0		0
Akademie Messe Frankfurt	103					991	0		991
	256					643,002	208		643,210

Overall activities of Messe Frankfurt in 2013

Exhibitors					Net area (in m ²)	Visitors		
	Number of events	Germany/ Host country	Other countries	Total	incl. special show space	Germany/ Host country	Other countries	Total
Trade fairs and exhibitions at the Frankfurt exhibition venue	36	13,181	24,695	37,876	1,382,569	1,488,911	683,053	2,171,964
Trade fairs and exhibitions in Germany outside the Frankfurt exhibition venue	7	1,917	993	2,910	98,210	74,585	22,335	96,920
Events outside Germany	70	24,310	14,483	38,793	935,148	1,170,650	210,382	1,381,032
Congresses, conventions and other activities	256	0	0	0	0	643,002	208	643,210
	369	39,408	40,171	79,579	2,415,927	3,377,148	915,978	4,293,126

2013 Group management report of Messe Frankfurt GmbH, Frankfurt am Main

I. Corporate profile

The core activities of the Messe Frankfurt group consist on the one hand in hosting trade fairs and exhibitions. These are staged in Germany and abroad by Messe Frankfurt Exhibition GmbH and its subsidiaries. On the other hand, via its Messe Frankfurt Venue GmbH subsidiary, the group also markets exhibition space to trade fair and congress organisers and provides the related infrastructure and services. Both operating companies are organised under the shared umbrella of the holding company, Messe Frankfurt GmbH, which in addition to group management provides administrative services for the companies at the Frankfurt am Main venue.

The focus of the events held at the Frankfurt venue is the international industry flagship shows. The trade fair industry defines flagship, or leading, shows as trade fairs that are deemed to be the leading showcase within their respective industry and which present the most innovations and premières. They bring together the relevant international range of goods and services on offer with the respective continental demand in Europe and worldwide. By virtue of their size and internationality, these trade fairs often have a dominant character for the respective industry sector and within the trade fair industry.

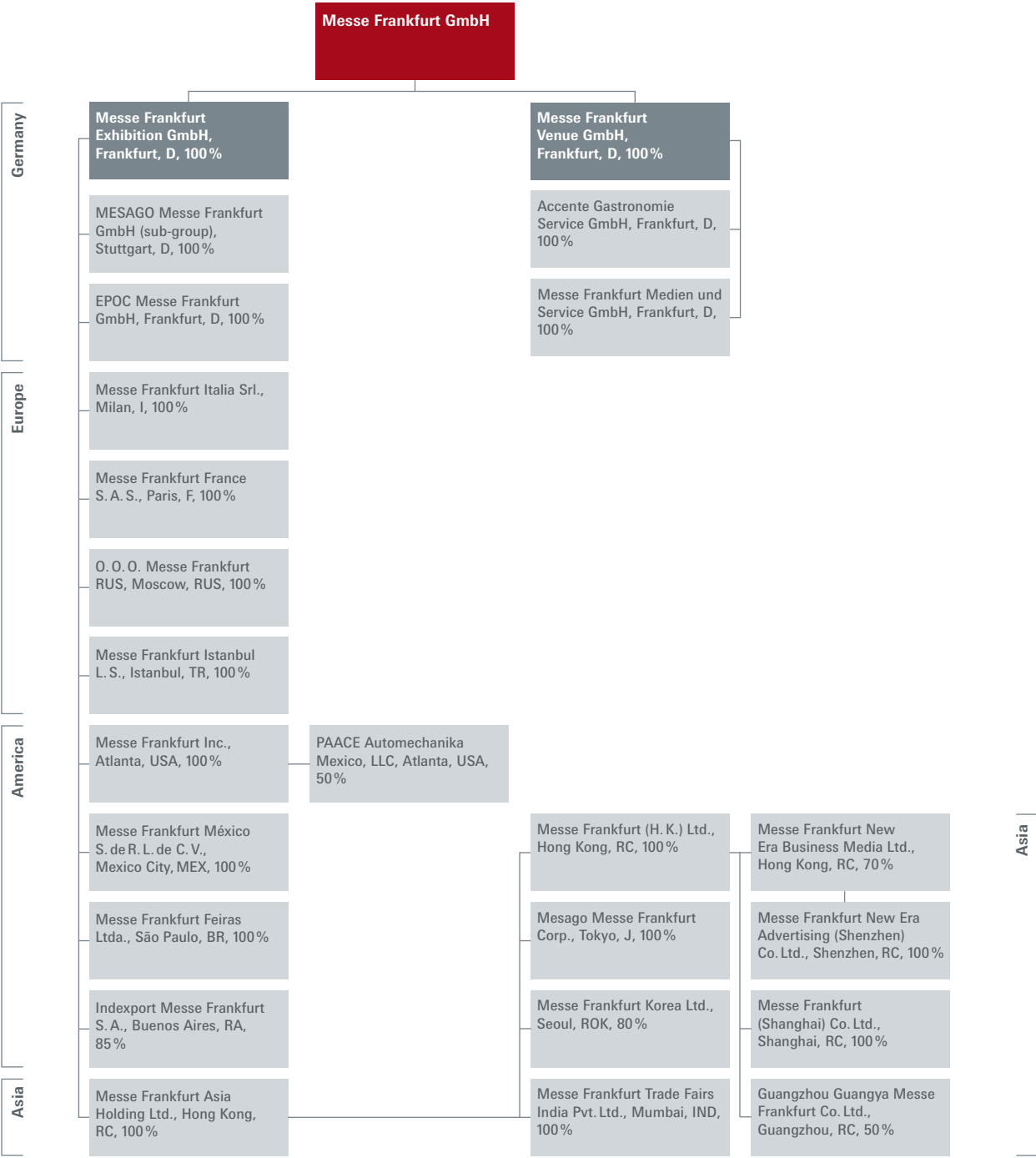
The operating activities of the foreign subsidiaries are based on supporting and representing the interests of the Messe Frankfurt group in the respective area of responsibility. They essentially comprise holding trade fairs from the group's brand portfolio for own financial account as well as marketing Messe Frankfurt events and services worldwide. In addition to exhibitor acquisition and visitor promotion, the increasing interdependence of the economy as a result of internationalisation is also giving more importance to the marketing of media, digital and infrastructure services. Due to the different outreach and catchment areas of the respective events, it is extremely difficult to clearly delimit the relevant trade fair market. Although there are no fixed definitions of the overall market share reached, Messe Frankfurt is generally considered to play an important role for the industry in its core business segments (Technology&Production, Textiles&Textile Technologies, Consumer Goods&Leisure), as well as being a reliable long-term partner in the international arena.

Apart from Messe Frankfurt Exhibition GmbH's and its subsidiaries' own events in Germany and abroad, many guest and congress organisers take advantage of the Frankfurt venue for their trade fairs, congresses and events. Thanks to the central location, the continuously improving infrastructure and connections, as well as the new Kap Europa congress centre both the city and Messe Frankfurt are expected to become even more attractive and competitive.

The Messe Frankfurt GmbH corporate group is made up of the parent, 9 domestic (previous year 11) and 18 foreign (previous year 17) subsidiaries, as well as 5 branch offices. Messe Frankfurt's powerful international sales network is managed by Messe Frankfurt Exhibition GmbH and is made up of 51 sales partners, who serve and cover 159 countries.

To further streamline the group structure, with effect from 1 January 2013 the domestic subsidiaries Messe Frankfurt Grundbesitz Verwaltung GmbH and Messe Frankfurt Grundbesitz GmbH & Co. KG were amalgamated with Messe Frankfurt GmbH and Messe Frankfurt Venue GmbH, respectively. Outside Germany, Messe Frankfurt New Era Business Media Ltd., Hong Kong, set up Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China.

Messe Frankfurt corporate group



Also effective from 1 January 2013, Messe Frankfurt Venue GmbH acquired the 5 percent share in Accente Gastronomie Service GmbH previously held by the managing partner, as the latter ended this activity from 31 December 2012.

Goals and strategies of the Messe Frankfurt group

Trade fairs generally mirror economic trends. For Messe Frankfurt this means that economic fluctuations, political uncertainties in some markets and sometimes radical changes in primary markets and sales channels – above all in the consumer goods industry – pose enormous challenges. In order to address these, change processes have been initiated and developed on various levels. Some of these projects will extend over several years.

Product development: The core areas of business, i.e. the sectors in which Messe Frankfurt Exhibition GmbH offers its marketing platform, were aligned and more clearly defined. Emphasis continued to be placed on pursuing the growth strategy within the individual thematic segments. Within the product portfolio it is intended to strive for greater diversity in future in the aforementioned core market segments. As part of the strategic organisation, those markets are identified in which the company intends to step up future investment activities: first and foremost the home venue Frankfurt am Main, followed by the defined key markets China, India, Russia and the Middle East, as well as Turkey and South Africa. Furthermore, Messe Frankfurt Exhibition GmbH aims to consolidate and expand its market position in Germany and Europe, as well as in North and South America. The brand strategy remains the predominant strategy, with trade fairs based on a flagship event (the brand) – usually in Frankfurt am Main – being held in all relevant economic regions around the world. These are oriented towards the brand in terms of name, nomenclature and services offered.

The reporting year saw the launch of the trade fair Nordstil – Hamburg regional order days. This event targets retailers in Hamburg, Lower Saxony, Schleswig-Holstein (with an outreach to Denmark), and from 2014 will take place twice a year in cooperation with Messe Hamburg at its exhibition grounds. With Nordstil, Messe Frankfurt is continuing the 50-year tradition of regional order days in Hamburg with the active support of the relevant partners and associations.

Based on this positive experience, Messe Frankfurt is exploring the possibility of other regional trade events.

Part of the business strategy is the focus on expanding digital business. As an “on-site” and online business matching specialist, Messe Frankfurt aims to position itself as a year-round partner for additional business for existing and potential new customers. To this end, Messe Frankfurt concluded a partnership with Google™ Deutschland in the reporting period. This will give customers the possibility to advertise with Google™ AdWords directly above or next to organic search results. Like this, Messe Frankfurt in partnership with Google™ is providing a service that channels customers’ marketing efforts more efficiently and indirectly also generates new customers or additional exhibition stand visitors.

Organisational development: In order to streamline the administrative effort, as well as internal organisational processes, the “Harmonisation of core processes” programme was continued. A number of structural organisation measures supported the efforts to enhance efficiency and efficacy. For example, a new Strategy and Organisation division was set up, which on the one hand promotes the strategic development of the group and on the other hand makes projects, processes and structures more efficient and more coordinated. A number of functions and even entire divisions were merged in order to create synergy effects. Another highlight was linking the MESAGO Messe Frankfurt subsidiary in Stuttgart to the SAP structures and processes at the headquarters in Frankfurt.

Development of the trade fair venue and the infrastructure: Construction of the new Kap Europa congress centre close to the exhibition grounds by the Messe Frankfurt Venue GmbH subsidiary was without a doubt one of the major infrastructure measures in the past fiscal year. On completion, the building will offer an auditorium for 1,000 people, a divisible auditorium for 600 people and 12 other conference rooms. While the Congress Center in the exhibition grounds is ideal for large-scale events requiring more space, Kap Europa will in future service the need for plenary sessions with numerous smaller rooms. The new congress centre stands out for another reason: Kap Europa is the first congress building ever to have received a certificate from the German Sustainable Building Council (DGNB).

In order to further develop the trade fair venue in Frankfurt, Messe Frankfurt Venue GmbH purchased two adjacent plots of land to the South and South-West. On one, in addition to the new South Entrance, it is planned to construct an office building and a hotel. As the second plot significantly influences the entrance situation at the Portalhaus, Messe Frankfurt decided to purchase the plot so as to be able to determine its future use. From 2015, it is intended to construct a further hall on the existing grounds in order to increase the turnover rate and create more flexible utilisation possibilities thanks to parallel occupancy of the halls and outside areas. The new Exhibition Hall 7 will also provide the preconditions for the new build of Hall 5, which is to be replaced over the next few years.

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

Not least, environmental protection and sustainable management have high priority in all areas in which Messe Frankfurt operates. Messe Frankfurt is synonymous with profitable management, conservation of resources and secure jobs. The company views the safeguarding of this high reputation as its entrepreneurial provision for the future.

II. Report on economic position

General economic trend

Global economic growth again accelerated slightly in summer 2013, although it was characterised by a high degree of heterogeneity in the different economic regions. While the economic climate in the industrialised nations increasingly brightened up, key emerging economies experienced a difficult patch. Hence for the first time in four years, the industrialised nations were the driving force of economic growth.¹ Overall, however, the pace of expansion was significantly slower than in the years before the outbreak of the financial crisis.² All in all, on an annual average the German economy proved stable in 2013. According to preliminary estimates of the Federal Statistical Office, the price-adjusted gross domestic product was 0.4 percent higher than in the prior period.³ The domestic market was the main driver of the German economy, as the Ifo Institute, Munich, also confirms. Although exports rose noticeably (0.5 percent), imports grew more vigorously (1.1 percent).⁴

The German economy was burdened by the differing tendencies in the euro zone, where some major countries are experiencing a recession, although the economic situation in these regions has on the whole recovered somewhat.⁵

Developments in the trade fair sector

Similar to the German economy, according to preliminary figures published by the Association of the German Trade Fair Industry (AUMA)⁶ e. V., Berlin, for 2013, supra-regional trade fairs in Germany on average also showed a stable trend. The number of exhibitors at the 139 supra-regional trade fairs rose by almost 1 percent compared to the respective prior events to 166,000 in total (2012: +2.0 percent). At 2 percent, the level of foreign participation grew at an above-average rate. According to AUMA, foreign companies have a high level of confidence in German trade fairs, which not only offer them contacts to German stakeholders, but also to visitors from all continents. The amount of leased space at supra-regional shows remained constant in 2013 at 6.6 million square metres, after a significant 4.1 percent increase in 2012. At 10 million, the number of visitors last year also remained stable.

Performance ratios – trade fairs and exhibitions

The Messe Frankfurt group staged 113 trade fairs and exhibitions worldwide in the reporting year (previous year 109). Altogether, around 79,600 exhibitors (previous year 78,500) and 3.65 million visitors (previous year 2.8 million) were registered; the total net leased area was over 2.4 million square metres (previous year 2.2 million). These were complemented by 256 congresses, shows and other events (previous year 326) at the Frankfurt am Main venue, which attracted around 643,200 visitors (previous year 641,500). Thus, all Messe Frankfurt group events taken together drew around 4.3 million attendees in 2013 (previous year 3.4 million).

1) Ifo economic report 4/2013, prepared for Messe Frankfurt
2) Ifo economic forecast for 2013/2014 in Ifo Schnelldienst 24/2013 dated 23 December 2013
3) DESTATIS Federal Statistical Office, press release no. 16 dated 15 January 2014
4) Ifo economic report 4/2013, prepared for Messe Frankfurt
5) Ifo economic report 4/2013, prepared for Messe Frankfurt
6) AUMA Compact no. 23/2013 dated 6 December 2013

Overall activities of Messe Frankfurt in 2013

	Number	Exhibitors	Net area* (in '000 m²)	Visitors (in '000)
Trade fairs and exhibitions				
– at the Frankfurt am Main exhibition centre	36	37,876	1,383	2,172
– at other venues in Germany	7	2,910	98	97
Total Germany	43	40,786	1,481	2,269
Other countries	70	38,793	935	1,381
Total trade fairs and exhibitions	113	79,579	2,416	3,650
Other activities	256			643
Total activities	369	79,579	2,416	4,293

* including special show space

The group’s exhibition centre in Frankfurt am Main was the venue for 36 trade fairs and exhibitions, including – as in the previous year – 13 events organised by Messe Frankfurt Exhibition GmbH and three trade exhibitions organised by MESAGO Messe Frankfurt GmbH, Stuttgart. These 16 own group events in Frankfurt recorded around 19,300 exhibitors (previous year 22,000) and over 744,000 visitors (previous year 834,000). More than 866,000 square metres (previous year 941,000) of exhibition space was booked for these own group events in Frankfurt. The quality of these events was reflected in their level of internationality on both the exhibitor and visitor side. 68.5 percent foreign participation among exhibitors and 44.8 percent among visitors at Messe Frankfurt’s international own group events at its home venue are indicators of maximum market transparency and customer benefit on both the supply and demand side. They represent peak values in the competitive environment. By way of comparison: AUMA puts the average internationality rates for Germany as a trade fair venue at 57 percent for exhibitors and 26 percent for visitors.

20 guest fairs, including nine for the general public and three trade exhibitions completed the events portfolio at the Frankfurt exhibition venue. One specificity of the trade fair sector is that individual business years are not directly comparable to the year before because – by virtue of the different event rhythms – the same events are not always held every year. Due to the rotation of events, the reporting year was weaker in terms of the number of own events: the sum of the trade fair figures for the events ISH, IFFA, Techtextil and Texprocess, which have a multi-year rhythm, is lower than the sum of the key figures for Automechanika and Light + Building (every two years) and Texcare International (every four years), which took place in 2012.

Further successes recorded by the guest shows business segment were the continued high level of exhibitor and visitor numbers at the annual Frankfurt Book Fair, EuroMold and IMEX. Held in a two-year rhythm and organised by United Business Media (UBM), one of the global players of the trade fair industry, CPhI in October achieved a renewed increase in all key figures. Land & Genuss organised by the German Agricultural Society (DLG), as well as the trade fairs organised by UBM, DEMAT and Airtec rounded off the portfolio of guest events staged at the Frankfurt exhibition venue. These events drew some 18,600 exhibitors (previous year 19,500) and 1.43 million visitors (previous year 707,000). The overall increase in visitor numbers is explained by the fact that due to the rotation of events the crowd-puller IAA Cars, which alone attracted in excess of 881,000 visitors, was held in the reporting year.

At other trade fair venues in Germany seven events were hosted by Messe Frankfurt Exhibition GmbH and MESAGO Messe Frankfurt GmbH, Stuttgart. Every spring and autumn in Berlin Messe Frankfurt Exhibition GmbH stages the Greenshowroom (including the Ethical Fashion Show Berlin). The EMV (Stuttgart), PCIM Europe, SMT Hybrid Packaging and SPS IPC Drives (all Nuremberg) belong to the portfolio of MESAGO Messe Frankfurt GmbH. These events in Germany outside Frankfurt counted around 2,900 exhibitors and some 96,900 visitors. The total net leased area came to around 98,200 square metres.

Foreign operations (trade fairs and services offered outside Germany) again contributed significantly to Messe Frankfurt’s successful operating result in the reporting year: at 70 events (previous year 68), some 38,800 exhibitors (previous year 34,400) showcased their product and services portfolios to almost 1.4 million visitors (previous year 1.2 million) on around 935,200 square metres of exhibition space (previous year 791,800). Thus the group’s own trade fairs held outside Germany once again demonstrated their relevance in 2013. Asia remained the focus of overseas business with 41 events in the reporting year, 25 of which were held in China alone. Another attractive exhibition region for Messe Frankfurt was the EMEA (Europe, Middle East, Africa) economic area. 19 trade fairs were held in this region. From Canada to Argentina, the American subsidiaries of Messe Frankfurt organised ten trade fairs in the year under review. As part of the optimisation of its product spectrum, Messe Frankfurt Exhibition GmbH also expanded its portfolio outside Germany in fiscal 2013. Three new events opened their doors for the first time in 2013; all three in Asia. Important themes were once again taken up at shows representing major brands, including ACMA Automechanika New Delhi and Prolight + Sound Guangzhou.

In addition to designing and staging its own events, Messe Frankfurt organised 20 German pavilions at foreign trade fairs. These relate to trade fair participations organised and held on behalf of the Federal Ministry for Economic Affairs and Energy. They facilitate entry into the market in the respective country for small and medium-sized enterprises.

Furthermore, the first preliminary measures for the realisation of the German pavilion at EXPO 2015 in Milan were taken in consultation with the Federal Ministry for Economic Affairs and Energy.

Congresses, conventions and Festhalle events

Apart from guest shows and exhibitions, Messe Frankfurt Venue GmbH hosted 75 congresses and meetings (previous year 79) as well as 58 (previous year 76) events. With a good 100,400 participants, the number of participants declined in line with the number of events (previous year 118,000). The highlights of the year were the Infodental Mitte organised by CCC Gesellschaft für Marketing & Werbung mbH and the EWEA Offshore 2013 congress and accompanying exhibition with almost 8,000 attendees each.

More than half a million guests were drawn to the 58 events held above all in the tradition-rich Festhalle. These included concerts, sporting events, shows and company events. Sporting attractions included the BMW Frankfurt Marathon with the finishing line in the Festhalle and the International Festhalle Riding Tournament. Musical highlights were performances by Alicia Keys, Unheilig, Pink, Mark Knopfler, Eric Clapton, Justin Bieber and Meat Loaf. In the show segment, classic events such as the multi-day Holiday on Ice and the equestrian gala Apassionata topped the bill.

Service management

Messe Frankfurt and its subsidiaries in Frankfurt am Main provide a wide range of services for exhibitors and visitors as well as trade fair organisers. These extend from power connections and surveillance, through to customised stand construction and catering. To ensure everything goes like clockwork on the day, Messe Frankfurt works in close cooperation with numerous service partners. At major events as many as 50 service partners with 5,000 employees have to be managed on site.

Human resources

On 31 December 2013, the Messe Frankfurt group employed 1,999 active people worldwide, 166 more than at the end of 2012. In Germany, the headcount rose by 19 and outside Germany by 147 (+ 23 percent).

This significant rise in the number of employees is accounted for in particular by the expansion of business in China, Dubai and India. The increase in China (+ 103 employees or + 31 percent) is attributable to the 64 staff members of Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China, newly founded in the Hong Kong sub-group in 2013.

Employee development¹⁾

(at 31 December respectively)	2011	2012	2013
Messe Frankfurt GmbH, Frankfurt, Germany	261	270	280
Messe Frankfurt Exhibition GmbH, Frankfurt, Germany	289	305	309
Messe Frankfurt Venue GmbH, Frankfurt, Germany	235	231	235
Messe Frankfurt Medien und Service GmbH, Frankfurt, Germany	69	72	72
MESAGO Messe Frankfurt GmbH, Stuttgart, Germany ²⁾	78	88	97
Accente Gastronomie Service GmbH, Frankfurt, Germany	207	238	230
Germany	1,139	1,204	1,223
Messe Frankfurt France S. A. S., Paris, France	20	20	19
Messe Frankfurt Italia Srl., Milan, Italy	22	24	33
Messe Frankfurt Istanbul L.S., Istanbul, Turkey	13	14	14
O. O. O. Messe Frankfurt RUS, Moscow, Russia	32	37	41
EPOC Messe Frankfurt GmbH, Frankfurt, Germany / Dubai, UAE	64	66	81
Messe Frankfurt Asia Holding Ltd., Hong Kong, China	3	3	2
Messe Frankfurt (H. K.) Ltd., Hong Kong, China ²⁾	302	326	430
Mesago Messe Frankfurt Corp., Tokyo, Japan	27	27	31
Messe Frankfurt Korea Ltd., Seoul, South Korea	8	10	10
Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai, India	28	35	48
Messe Frankfurt Inc., Atlanta, USA	28	28	30
Messe Frankfurt México S. de R. L. de C.V., Mexico City, Mexico	7	7	7
Indexport Messe Frankfurt S. A., Buenos Aires, Argentina	32	32	30
Other countries	586	629	776
Messe Frankfurt group	1,725	1,833	1,999
Increase in number of employees		108	166

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

HR work in 2013 at the Frankfurt venue was dominated by the implementation of the federal state district collective bargaining agreement concluded at the end of 2012 aimed at transition to a new remuneration system for Messe Frankfurt GmbH, Messe Frankfurt Exhibition GmbH, Messe Frankfurt Venue GmbH and Messe Frankfurt Medien und Service GmbH from 1 October 2013.

The core of the new system was the definition of job descriptions for Messe Frankfurt and their allocation to collectively agreed wage and salary categories according to the payscale criteria qualification, complexity and responsibility. This procedure was carried out in an intensive dialogue between a working group appointed by the management and the works council.

The allocation of each employee to a wage and salary category based on their job characteristics was also the result of a constructive internal consulting and negotiation process.

Thus the objective to establish a transparent and inter-company remuneration system based on a new collective bargaining agreement and adapted to the structure of Messe Frankfurt’s operations was achieved.

In 2013, the leadership philosophy developed in 2012 and the code of conduct currently still at the draft stage were merged into a single project, thus creating the basis to positively influence the corporate culture.

“Developing leadership tasks” was also a central theme of training at Messe Frankfurt. At a management conference, the focus was placed on the particular influence of “leadership” and “process management” on increasing efficiency. The training offering for executive staff was also extended. Alongside the established standard seminars on “labour law” and “conducting discussions”, a new seminar was implemented on “sound leadership practice”.

Since October 2013, Messe Frankfurt is for the first time offering a combined dual study course in Business Information Systems majoring in Application Management at the Baden-Württemberg Cooperative State University Mannheim (DHBW Mannheim).

The EAP (Employee Assistance Programme) established at the end of 2012 proved its worth in 2013. The professional consulting service offered by the external service provider in career and personal matters as well as all individual and personal problem and crisis situations has met with a positive response from staff.

Overall, the employees of Messe Frankfurt GmbH responded extremely well to the demands imposed on them as a result of growing operational business activities. All staff once again showed a remarkable level of motivation as well as unswerving and flexible efforts in 2013. The Executive Board would like to take this opportunity to thank all employees and congratulate them on the positive business results achieved.

III. Description of the position of the company

Results of operations

The business trend and general economic situation are also mirrored in the development of group sales. At €544.8 million, sales in 2013 reached a new record high that was 1.5 percent, or €7.9 million up on the previous year. Compared to 2011, which by virtue of its home event structure lends itself better to comparison, earnings increased by €77.3 million. In contrast to the previous year, the growth of the group is accounted for principally by the German subsidiaries, which at €378.2 million generated a total of €9.8 million, or 2.7 percent more than in the previous year. In particular Messe Frankfurt Venue GmbH achieved a substantial increase in sales revenues of €10.6 million, as well as MESAGO Messe Frankfurt GmbH of €2.2 million through organic growth. Compared to 2011, earnings of the German subsidiaries were surpassed by €43.1 million, or 12.9 percent.

Outside Germany, sales were slightly lower than in the previous year at €166.6 million. The overall decline of €1.9 million, or 1.1 percent, results in particular – despite significant increases in Italy, Dubai and Turkey – from the drop in earnings posted by the subsidiaries in Argentina and the USA. Measured against 2011, on the other hand, sales increased by €34.2 million. This growth is above all attributable to the subsidiaries in Asia as well as Dubai and Russia.

Messe Frankfurt Exhibition GmbH with its key international flagship fairs is again the mainstay of group sales (36.3 percent) and generated consolidated sales of €197.6 million compared to €201.3 million in the previous year. This can be explained by the two-year rhythm of Auto-mechanika and Light + Building, which are not held in uneven years. Taking place every three years, IFFA, which in the reporting period achieved new peak values in terms of exhibitors and visitors as well as leased space and internationality, was not able to compensate this drop in sales caused by the rotation of events. Measured against 2011, which has a more readily comparable trade fair portfolio, earnings were up by around €24.0 million, largely as a result of IFFA.

Sales development (consolidated)

	2011 € m	2012 € m	2013 € m	Change compared to 2012 in % ⁴⁾ 2011 in % ⁴⁾	
Germany					
Messe Frankfurt Exhibition GmbH, Frankfurt	173.6	201.3	197.6	−1.8	13.8
Messe Frankfurt Venue GmbH, Frankfurt	96.6	95.0	105.6	11.2	9.3
MESAGO Messe Frankfurt GmbH, Stuttgart ¹⁾	24.2	25.3	27.5	8.7	13.6
Messe Frankfurt Medien und Service GmbH, Frankfurt	14.4	18.1	19.3	6.6	34.0
Accente Gastronomie Service GmbH, Frankfurt	26.3	28.7	28.2	−1.7	7.2
Total Germany	335.1	368.4	378.2	2.7	12.9
Other countries					
Messe Frankfurt France S.A.S., Paris	14.6	15.6	16.0	2.6	9.6
Messe Frankfurt Italia Srl., Milan	3.1	3.8	4.9	28.9	58.1
Messe Frankfurt Istanbul L. S., Istanbul	1.1	0.0	1.6	++	45.5
O.O.O. Messe Frankfurt RUS, Moscow	3.1	8.8	8.8	0.0	++
EPOC Messe Frankfurt GmbH, Frankfurt/Dubai	11.6	14.7	18.6	26.5	60.3
Messe Frankfurt Asia Holding Ltd., Hong Kong ²⁾	81.9	104.3	105.5	1.2	28.8
Messe Frankfurt Inc., Atlanta ³⁾	3.3	6.2	3.8	−38.7	15.2
Messe Frankfurt México S.de R. L. de C.V., Mexico City	0.1	0.1	0.1	0.0	0.0
Indexport Messe Frankfurt S. A., Buenos Aires	13.6	15.0	7.3	−51.3	−46.3
Total other countries	132.4	168.5	166.6	−1.1	25.8
Group sales	467.5	536.9	544.8	1.5	16.5

1) sub-group
2) sub-group including the subsidiaries: Messe Frankfurt (H.K.) Ltd., Hong Kong; Messe Frankfurt (Shanghai) Co. Ltd., Shanghai; Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou; Messe Frankfurt New Era Business Media Ltd., Hong Kong; Mesago Messe Frankfurt Corp., Tokyo; Messe Frankfurt Korea Ltd., Seoul; Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai
3) including PAACE Automechanika Mexico, LLC, Atlanta
4) deviations of more than 100% are shown with ++ or --

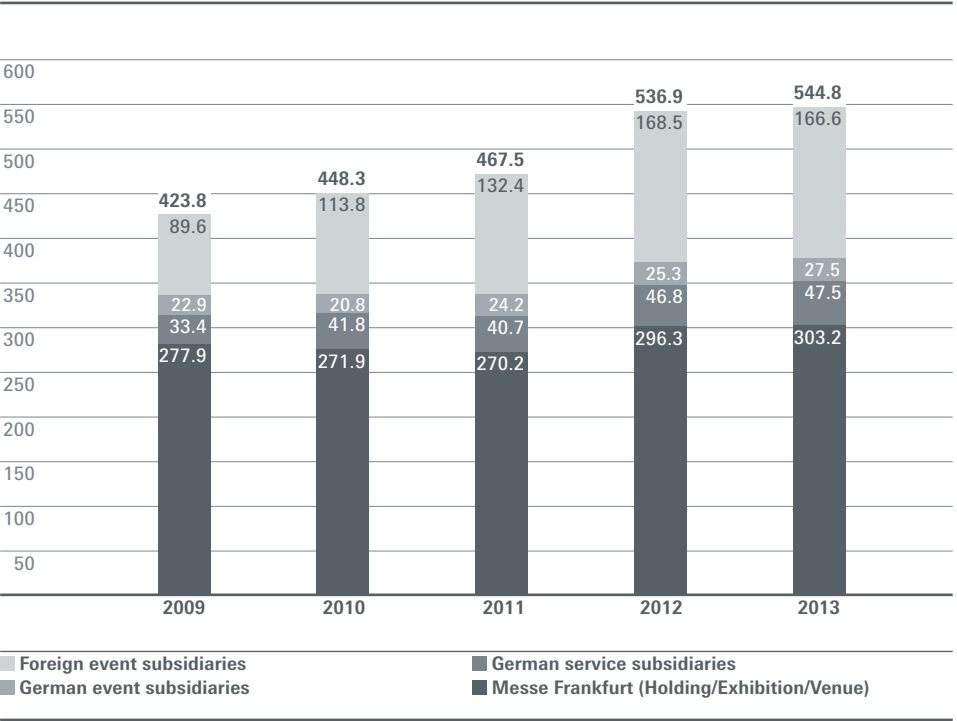
The group sales forecast of €544.4 million was nearly spot on: the target was exceeded by €0.4 million, which is equivalent to a deviation of around 0.01percent. However, this was the result of opposing effects. First, the strong euro against all other currencies used across the group led to a lower currency translation effect than planned of €3.9 million. Furthermore, due to market developments some major national and international events (above all Tendence, Prolight + Sound Guangzhou) did not quite reach their planned targets and a planned acquisition in India did not go ahead. On the other hand, these deficits were more than compensated by intensified turnkey business⁷ in Hong Kong, sales increases in particular in Argentina, Russia and Dubai, as well as growth at the guest events in Frankfurt.

By contrast, the Messe Frankfurt Venue GmbH subsidiary posted consolidated sales of €105.6 million, which due to the rotation of events was €10.6 million above the previous year’s level. This figure was €9.0 million higher than the 2011 level (€96.6 million). The reason for this is that in 2013 the crowd-puller IAA Cars, which opens its doors every two years, also took place. New events as well as increased service business also contributed to the sales increase.

7) All-inclusive service for exhibitors for a trade fair participation

Together with the sales developments of the service subsidiaries Accente Gastronomie Service GmbH and Messe Frankfurt Medien und Service GmbH, consolidated sales of €350.7 million were generated at the Frankfurt am Main venue, which is substantially higher than in the previous years and corresponds to around 64 percent of group sales (year on year: 2012 €343.1 million, 2011 €310.9 million).

Group sales development (consolidated) in € m



MESAGO Messe Frankfurt GmbH in Stuttgart was again able to improve on the sales level of the previous year. Due to the strong SPS IPC Drives, International Exhibition & Conference on Electric Automation, sales rose by €2.2 million to €27.5 million, setting a new sales record.

Outside Germany, foreign sales in the reporting period totalled €166.6 million following €168.5 million in the previous year, and thus accounted for 30.6 percent of group sales (previous year 31.4 percent). In particular decreases in sales in North and South America affected this result. In the USA the rotation of events meant that at €3.8 million, sales were €2.4 million lower than in the previous year. The Argentine organisation, which in recent years posted highly successful special congress and convention business due to jubilee celebrations, returned to a normal level of sales, posting €7.3 million, which however is €7.7 million less year on year. The Asian companies combined in the Messe Frankfurt Asia Holding Ltd. sub-group on the other hand made a consolidated contribution to sales of €105.5 million compared to €104.3 million in the previous year (€+1.2 million). The EMEA companies also showed a highly positive development. With an increase in sales in Dubai of €3.9 million to €18.6 million and in Turkey of €1.6 million to €1.6 million (in the previous year only intra-group sales revenues) new record sales levels were reached in both countries. The companies in Italy and France each also raised sales by €1.1 million and €0.4 million respectively.

Profits were also up on the previous year’s level for the group. With a figure of €49.1 million prior to taxes on income, earnings were up by €13.0 million, or 36.1percent, on the previous year (€36.1 million). Compared to 2011, however, earnings were as much as €14.7 million higher.

Profit development

	2011 €'000	2012 €'000	2013 €'000	Change compared to	
				2012 in %	2011 in %
Earnings before taxes on income	34,461	36,104	49,135	36.1	42.6
Taxes on income	12,765	11,472	14,460	26.0	13.3
Consolidated net income for the financial year	21,696	24,632	34,675	40.8	59.8

Apart from operating income from the annual reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.2 million), other operating income (€13.1 million) principally includes the reversal of provisions (€2.7 million; previous year €1.9 million) for unperformed maintenance work which was not carried out for reasons of time, income arising from exchange rate fluctuations amounting to €6.0 million, as well as income from impaired receivables (€0.9 million).

Income stands vis-à-vis operating expenses totalling €502.7 million (previous year €494.7 million), which is €8.0 million, or 1.6percent higher than in the prior period. Event-related expenses are the biggest expense item with €261.4 million, after €253.1 million in 2012. This corresponds to a cost/income ratio of 48.0percent, which is 0.9percentage points higher than the previous year’s level. Event-related expenses include all expenses directly related to events. They are in general variable costs and therefore develop by analogy with sales. As well as costs for visitor advertising, press relations, sales commissions and marketing, they also include all costs for services (e.g. hostess services), as well as rental of external halls and maintenance of the Frankfurt am Main exhibition grounds. The latter showed a slight increase of €0.7 million over the previous year as renewed expenditure on buildings and technical equipment was necessary.

Personnel expenses developed somewhat disproportionately. The €3.3 million, or 2.7 percent, increase in personnel expenses was due to the rise in the number of employees in particular in China and Dubai, as well as to salary adjustments and the impacts of collective bargaining agreement changes and collectively agreed salary increases at the Frankfurt venue. Due to the further planned expansion of business in particular internationally, the personnel costs ratio increased from 22.4percent in the previous year to 22.6percent in the reporting year. Depreciation, amortisation and write-downs on the other hand showed a decrease of €5.1 million to €56.4 million. This is explained in particular by the fact that some halls reached the end of their estimated useful life. Other operating expenses were recognised in the amount of €61.6 million, an increase of €1.5 million over the previous year. This account includes all expenses that are not directly related to events, such as consulting, insurance, IT costs and office supplies. The increase results in particular from higher consulting, auditing and legal costs as well as expenses for leases and general advertising.

At €–2.6 million, the financial result/net interest income is significantly better than in the previous year (€–4.7 million). In addition to a rise of €0.5 million in interest income (€2.3 million; previous year €1.8 million), interest expenses also fell by €1.5 million to €4.9 million compared to the prior period (€6.4 million).

Interest expenses result from financial instruments and bank loans taken out at the end of 2006 by Messe Frankfurt Grundbesitz GmbH & Co. KG and in 2008 and 2009 by Messe Frankfurt Venue GmbH to finance the building of Hall 3 and Hall 11. Interest expenses have declined in line with scheduled repayments totalling €34.2 million.

This produces an improved result from ordinary operating activities of €53.7 million after €53.2 million in the previous year.

An extraordinary result of €–0.3 million was recognised. This arises from the allocation of a residual amount for pension provisions, as the option provided under Section 67 (1)–(5) EGHGB (Act Introducing the German Commercial Code)–(transitional provisions of the German Accounting Law Modernisation Act (BilMoG)) is no longer used. In the previous year a below-the-line extraordinary result of €–13.1 million was recognised due to the termination of the US lease transaction.

Net of taxes on income (€14.4 million), other taxes (€4.2 million) and deferred taxes (€0.1 million), the group recognised consolidated net income for the year of €34.7 million, which is the second-best result in the company’s history after 2008 (€35.9 million) and an improvement of around €10.1 million over the previous year (€24.6 million).

This produces a return on sales after taxes of 6.4percent after 4.6percent in the previous year. The return on equity improved over the prior period to 8.4 percent (previous year 6.1 percent).

Compared to planning, earnings before taxes on income increased by €14.5 million. In addition to higher other operating income (reversal of provisions: €1.0 million; increased gains from exchange rate fluctuations: €2.7 million), in particular lower event-related and other operating expenses totalling €3.6 million, as well as lower expenses for maintenance and servicing (€1.9 million) and depreciation, amortisation and write-downs (€2.7 million) had a positive effect above plan. A further positive factor was the financial result, which was €1.4 million higher than in the previous year.

Taking a look at the EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) earnings ratio, it becomes clear how strong the development of operations actually was.

While at €108.1 million earnings fell slightly short of the record result of 2010 (€108.5 million), nevertheless compared to 2012 they were €5.9 million higher. As a percentage of sales, the EBITDA margin for the financial year is 19.9percent, after 19.1percent in the previous year.

EBITDA development

	2011 €'000	2012 €'000	2013 €'000	Change compared to	
				2012 in €'000	2011 in €'000
Consolidated net income for the financial year	21,696	24,632	34,675	10,043	12,979
Taxes on income	12,765	11,472	14,460	2,988	1,695
plus financial result	5,559	4,725	2,609	–2,116	–2,950
Depreciation, amortisation and write-downs	58,779	61,466	56,402	–5,064	–2,377
Group EBITDA	98,799	102,295	108,146	5,851	9,347
EBITDA margin	21.1 %	19.1 %	19.9 %		

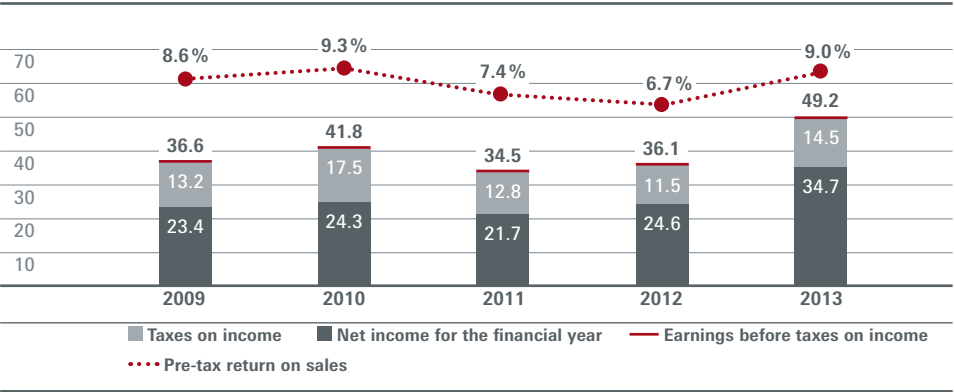
The following presents the results before consolidation of the companies and sub-groups included in the consolidated financial statements.

Messe Frankfurt GmbH as parent disclosed a net income for the financial year of €28.1 million, after €11.8 million in the previous year. Despite lower other operating income (€–2.9 million), this development can for the most part be attributed to an improved financial result (€+23.1 million). €0.5 million higher material costs, increased other operating expenses (€0.7 million) and almost unchanged personnel expenses are billed to the subsidiaries via the inter-company administrative charge resulting in an increase in sales of €1.1 million to €46.2 million. The development of the financial result is explained on the one hand by the improved net interest income (€+0.9 million) as well as by higher profit transfers from the subsidiaries. The background to this is profit and loss transfer agreements with Messe Frankfurt Exhibition GmbH and with Messe Frankfurt Venue GmbH. Including income tax allocation, these companies transferred €16.5 million and €19.0 million respectively to the parent. In the prior reporting period only a bottom-line net investment income of €13.5 million was recognised.

Messe Frankfurt Exhibition GmbH reported earnings before taxes on income and profit transfer of €16.2 million (previous year €21.4 million). The decrease compared to the previous year is mainly explained by the fact that due to the multi-year rhythm of some events, from the perspective of Messe Frankfurt Exhibition GmbH uneven years tend to produce lower profits. For example the sales total of the multi-year events held in the 2013 reporting period (ISH, IFFA, Techtextil and Texprocess) is lower than the total of the multi-year events held in 2012 (Automechanika, Light + Building and the four-yearly event Texcare International). This led to sales of €221.9 million, €6.2 million below the previous year’s level. Despite lower event-related expenses due to the rotation of events (€–3.5 million) and reduced other operating expenses (€–0.9 million), in conjunction with a slight rise in personnel expenses (€+0.4 million), the operating result was €–6.2 million (previous year €–3.4 million). Investment income from the subsidiaries was also €1.3 million lower. The main reason for this is that in 2012 both the profit distribution of MESAGO Messe Frankfurt GmbH from 2011 and – as a result of the profit transfer agreement concluded in 2012 – its 2012 earnings, were recognised.

For Messe Frankfurt Venue GmbH uneven years are generally more profitable due to the rotation of events, since the International Motor Show IAA Cars is held. In the reporting year new events and enhanced service business generated additional earnings. This positive trend was set against expenses of only €187.9 million, compared to €198.2 million in the previous year. This decline (–5.2 percent) results in particular from the reduction in event-related expenses, which decreased by €13.7 million to €92.5 million. The background for this is that lease expenses for Hall 3 are no longer incurred because as a result of the merger of Messe Frankfurt Grundbesitz GmbH & Co. KG and Messe Frankfurt Venue GmbH this Hall has passed to the latter. Moreover, the operating costs for the exhibition centre – especially expenditure for personnel expenses of external companies (surveillance, cleaning) and energy costs – were reclassified. Inasmuch as these costs were not event-related, they were recognised under other operating expenses. Despite the collective bargaining agreement changes and collectively agreed salary increases, personnel expenses rose only marginally by €0.3 million, or 1.8 percent, to €18.5 million compared to the prior period due to reduced personnel-related provisions. At €42.6 million, depreciation, amortisation and write-downs are slightly below the previous year’s level (€43.0 million). Other operating expenses, which primarily include administrative charges of Messe Frankfurt GmbH, incidental office space costs as well as rental and lease expenses, with €34.3 million, increased compared to the previous year (€30.9 million). The reason for this was the aforementioned reclassification of costs for facility maintenance.

Earnings before taxes on income and pre-tax return on sales (in € m)



At €4.0 million, the financial result of Messe Frankfurt Venue GmbH was €3.4 million lower than in the previous year. Two main factors were at work here: firstly, investment income from Messe Frankfurt Medien und Service GmbH and of Accente Gastronomie Service GmbH fell by €0.6 million compared to the previous year to €9.0 million in total. Secondly, bottom-line net interest income dropped from €–2.1 million in the previous year to €–5.0 million. The background is the merger with Messe Frankfurt Grundbesitz GmbH & Co. KG, in the wake of which Messe Frankfurt Venue GmbH also assumed the loan portfolio of €87.7 million and the related interest burden. On the other hand the residual bank loan in the amount of €25.0 million taken out to finance construction of Hall 11 was repaid as scheduled in the reporting period. Loan repayments on newly granted loans amounted to €9.2 million. This leads to a rise in the result from ordinary operating activities to €22.2 million after €8.4 million in the previous year.

In extraordinary income, by contrast to the previous year (€–13.1 million due to the termination of the US lease transaction), no effects were recognised. In addition to property tax (€3.1 million), taxes included an income tax allocation amounting to €5.3 million. The resulting net income for the financial year was around €13.7 million (previous year net loss of €7.6 million), which was transferred to the parent under the profit and loss transfer agreement.

The operating results of the German and foreign subsidiaries of Messe Frankfurt Exhibition GmbH showed a differentiated development, which produced a bottom-line net retained profit in the reporting year of €20.8 million, after €19.3 million in the previous year. The Asian sub-group contributed €11.7 million of this amount in the reporting year, after €11.9 million in 2012. This slight decrease is explained in particular by the development of the subsidiaries in Hong Kong, since the other Asian companies showed a slightly positive earnings trend compared to the previous year. The domestic subsidiary MESAGO Messe Frankfurt GmbH in Stuttgart, with earnings before taxes and profit transfer of €8.6 million (previous year €8.0 million), was an important contributor to group profit. EPOC Messe Frankfurt GmbH with its branch office in Dubai with €4.3 million (previous year €3.2 million), as well as the subsidiaries in France with €1.8 million (previous year €1.1 million) and Russia with €1.5 million (previous year €1.0 million) respectively, also made notable contributions to the overall profit. While the subsidiaries in the US, Brazil and Mexico as well as Messe Frankfurt New Era Business Media Ltd. in Hong Kong posted net losses, all other event and marketing companies recognised positive results for the year.

Net worth and financial position

The fixed assets of the Messe Frankfurt group are made up primarily of land and buildings as well as trade fair rights and goodwill. In the year under review, additional investments were made amounting to around €48.1 million (previous year €27.0 million). Most of the investment amount was apportioned to tangible assets (€41.6 million), with €2.0 million of this amount being accounted for by operating facilities in the halls. An investment amount of €5.6 million was recognised for other infrastructure measures, in particular the change in use of Hall 10 as well as upgrading the façade of Hall 6. The remaining additions to fixed assets were posted for smaller infrastructure measures and equipment and office supplies. An additional €6.0 million was apportioned to intangible fixed assets, and was made up principally of additions within Messe Frankfurt GmbH for software and Messe Frankfurt New Era Business Media Ltd., Hong Kong, for the acquisition of the business operations for Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China. Net of depreciation, amortisation and write-downs amounting to €56.4 million and disposals of fixed assets, fixed assets totalling €601.5 million (previous year €610.7 million) are shown in the balance sheet at year’s end 2013, which corresponds to a share of around 73 percent of total assets (€819.8 million).

Current assets decreased by €9.2 million to €213.2 million. Although inventories increased by €1.2 million in particular due to advance services provided for trade fairs in the subsequent year, other assets and trade receivables declined by €11.2 million and € 0.7 million respectively. The decrease in securities of €27.4 million is offset by a higher amount of cash-in-hand and bank balances (€+28.8 million).

On the equity and liabilities side, €427.3 million is shown in the balance sheet under equity on the basis of the earned net income for the 2013 financial year (€34.7 million), profit distributions (€16.2 million) and the change in equity resulting from foreign currency translation differences (€–3.1 million), which is €15.4 million higher than the previous year’s figure (€411.9 million). This corresponds to an equity ratio of around 52.1percent and leads to a tier 1 equity/fixed assets ratio of around 71percent. Together with the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€23.3 million) and deferred income, which for the most part is also available over the long term, of €26.0 million, as well as medium- and long-term provisions (€21.7 million) and the long-term bank loans (€67.8 million), the tier 2 equity/fixed assets ratio increases to 94percent.

Provisions increased by €6.4 million compared to the previous year to €83.9 million. Apart from the separately disclosed provisions for pensions and taxes (€+0.4 million and €+4.3 million respectively over the previous year), these primarily include provisions for deferred maintenance and building modernisation commitments, indemnification claims from agents, claims from employees, as well as outstanding invoices, amounting to around €52.8 million (€+1.8 million compared to the previous year) in total.

Group liabilities amount to €253.6 million (previous year €285.7 million). This corresponds to around 31percent of total equity and liabilities, and leads to a debt/equity gearing ratio of around 59percent compared to around 69percent in the previous year. In the course of 2013, Messe Frankfurt Venue GmbH made scheduled repayments on loans in the amount totalling €34.2 million. On the other hand, payments on account received from exhibitors for the trade fairs in Q1 2014 decreased by €3.4 million compared to the prior period. This decline can be attributed particularly to the biennial rhythm of the ISH trade fair, which by virtue of the rotation of events is not held in 2014. Furthermore, trade payables increased by €4.3 million to €27.7 million and other liabilities were €1.1 million higher due to a rise in the VAT burden.

Financing

The cash flow from investing activities (€–20.7 million) as well as from financing activities (€–50.4 million) was financed from available liquidity as well as the positive cash flows from operating activities (€99.9 million). This resulted in an increase in cash funds of €28.8 million to around €141.6 million. This produces the following abstracted values and changes in the cash funds:

Development of cash funds

	2011 €'000	2012 €'000	2013 €'000
Cash flows from operating activities	37,974	127,936	99,905
Cash flows from investing activities	–26,061	–41,771	–20,746
Cash flows from financing activities	–48,604	–49,736	–50,373
Net change in cash funds	–36,691	36,429	28,786
Cash funds at beginning of period	113,057	76,366	112,795
Cash funds at end of period	76,366	112,795	141,581

IV. Report on post-balance sheet date events

After completion of fiscal 2013 and up to preparation of the consolidated financial statements and group management report, no events having a material impact on the position of the group occurred.

V. Report on expected developments, opportunities and risks

The German trade associations are predominantly confident concerning the 2014 financial year and are expecting business in most sectors to increase and investment activity to pick up slightly.⁸ This positive outlook is shared by the Ifo Institute, Munich, which once again forecasts moderate growth in world trade for 2014. Unlike in the past few years, however, the drivers of world economic growth will not be the emerging economies in Asia and Latin America, but the advanced economies. Overall, global economic output in 2013 probably expanded by 2.7 percent and in 2014 is forecast to increase by 3.3 percent. Growth in world trade, an important benchmark for the trade fair industry, is predicted at 4.8 percent (2013: +1.9 percent).⁹

Not only worldwide, but in the euro zone, too, economic growth in the various nations is likely to be highly disparate. In economically strong countries like Germany and Austria, a noticeable upturn in activity is to be expected. In other nations facing structural problems, growth will be weaker. For 2013, the Ifo Institute is assuming a gross domestic product for the euro zone of minus 0.5 percent, before an anticipated rise of 0.7 percent in 2014.¹⁰

Given the improved economic prospects, the Association of the German Trade Fair Industry, AUMA, is anticipating stable to slightly higher trade fair figures compared to the previous events. For 2014, a total of 178 trade fairs of international or national importance are planned, which are expected to draw 180,000 exhibitors who will showcase their products and services on 6.9 million square metres of stand space. Both figures could show a slight increase by year's end, while visitor numbers are expected to remain stable at around 9.7 million.¹¹

The reasons for this cautious optimism are the growth forecasts for major sectors with a high affinity for trade fairs, such as mechanical engineering and electrical engineering, as well as for private consumption. Moreover, German trade fairs continue to be attractive for foreign exhibitors and visitors.¹²

According to AUMA¹³, German exhibitors are also looking with cautious optimism to the immediate future: in the next two years, 57 percent intend to keep their trade fair budget stable, while 26 percent actually expect it to increase. Trade fairs are thus still the most important marketing instrument in business-to-business communication.

In its Global Exhibition Barometer¹⁴ survey, the Global Association of the Exhibition Industry (UFI) also gives a positive outlook for the international trade fair sector. After increased sales in 2013, a significant majority of trade fair organisers worldwide are also anticipating a further rise for 2014, even though they see perceptible challenges coming from the global and respective regional economic development.

8) IwW Institut der deutschen Wirtschaft Köln (Cologne Institute for Economic Research) – press release no. 52, 26 December 2013

9) Ifo economic report 4/2013, prepared for Messe Frankfurt

10) Ifo economic report 4/2013, prepared for Messe Frankfurt

11) AUMA Compact no. 1/2014 dated 16 January 2014

12) AUMA Compact no. 1/2014 dated 16 January 2014

13) AUMA Compact no. 23/2013 dated 6 December 2013

14) UFI The Global Association of the Exhibition Industry – 12th Global Exhibition Barometer, January 2014

Market, industry and event risks

The Messe Frankfurt group is as a whole reliant on the general economic situation and developments in the sectors in which events are either already established or new events planned. Messe Frankfurt attempts to secure the loyalty of event organisers, exhibitors and visitors through long-term customer retention strategies. The broad spectrum of products and services enables Messe Frankfurt and its subsidiaries to offer its customers attractive package solutions. Ongoing globalisation and the growing importance of foreign operations are also demanding optimised globally coordinated customer approach and customer care systems.

Apart from the general risk resulting from cyclical fluctuations, Messe Frankfurt at the same time seeks to identify resulting opportunities, aimed for example at further growth through acquisitions or cooperation agreements and at strengthening profitability. These projects and their associated risks were managed by introducing corresponding personnel and organisational measures to ensure a successful implementation of the new events and business segments in Germany and abroad.

Within the corporate group, Messe Frankfurt GmbH’s objective is to leverage its events in order to position the City of Frankfurt and the State of Hesse as an international, market-oriented and modern trade fair venue, and promote further growth – nationally and internationally. This includes the further internationalisation of event business, which is promoted in two directions: on the one hand Messe Frankfurt is making every possible effort to enhance the internationality of its flagship fairs in Frankfurt. On the other hand – in addition to continuously developing established products – Messe Frankfurt is also forging ahead with the organisation of events outside Germany. In fiscal 2014, in addition to the two Nordstil trade fairs in Hamburg, nine new events are planned group-wide, six of which will debut in Asia, two in Dubai and one in Turkey.

The development of Messe Frankfurt Venue GmbH with its subsidiaries Messe Frankfurt Medien und Service GmbH and Accente Gastronomie Service GmbH depends to a large extent on the success of own events organised by Messe Frankfurt Exhibition GmbH as well as guest events hosted at the Frankfurt venue. A decline in exhibitor or visitor numbers has a direct impact on the demand for the services provided by Messe Frankfurt Venue GmbH. The wide range of high-quality services enables these companies to offer exhibitors and visitors attractive packages, which in addition to supplementary services and flexible cost management are designed to compensate negative attendance trends.

Contractual negotiations with the organisers of the major guest fairs, the Frankfurt Book Fair, ACHEMA and IAA Cars, in principle always harbour the risk that the contracts will not be renewed or the terms of the contract are less favourable. Messe Frankfurt Venue GmbH counters this risk with its extensive know-how in the optimum implementation of guest events and targeted service offering.

The economic problems being experienced in major event sectors worldwide, combined with structural difficulties such as ongoing concentrations in the retail sector, represent a serious challenge across the globe for brands such as Paperworld, Musikmesse or Heimtextil. Many companies in these sectors have either disappeared from the market altogether or are reducing or cancelling their trade fair participations. It is intended to compensate these developments through new concepts, consolidation and intensified acquisition measures.

The trend towards smaller, specialised regional trade fairs in the consumer goods and textiles industries, and also observed in technical sectors, poses risks for the larger events. Messe Frankfurt Exhibition GmbH is observing this development and secures its own events by organising its own regional events, such as Nordstil, which was successfully launched in 2013.

The new concept resulting from the repositioning of Tendence has in the meantime become successfully established, so that this is no longer considered a source of major additional risks.

The economic recovery in Germany and the rising rate of inflation, coupled with wage increases and minimum wage agreements, may lead to risks as a result of service providers and suppliers increasing their prices.

Risks outside Germany

Although Messe Frankfurt does not host any trade fairs in politically risk-prone regions, wars or terrorist activities nevertheless pose a general risk. Uncertainty over future political developments in North Africa could, however, pose difficulties for the subsidiary in Dubai in winning exhibitors and visitors for its events. The same goes for events organised by the subsidiary in Istanbul due to the political tensions there, as well as in Russia following events in the Ukraine.

Experience shows that once they have successfully established a subsidiary or marketing company, internationally operating exhibiting companies frequently leave it up to them to decide whether to participate at foreign events.

Even in the boom regions like China, the market is in the meantime experiencing consolidation and mergers, which can lead to declining exhibitor numbers in the affected sectors.

The trade fair market in Europe is largely saturated. Furthermore, the economic situation in all regions remains volatile, also affecting some subsidiaries (Russia, Argentina, Middle East). This brings with it the inherent risk of losing events and consequently market shares in the countries concerned. This is further exacerbated by difficult-to-plan political decisions affecting the exhibition sector in some countries.

Messe Frankfurt and its subsidiaries counter this with their quality standards and an international sales network, making it possible despite these obstacles to organise high-quality trade fairs with a much more international flavour.

A further risk for the subsidiaries arises out of the fact that they do not have their own exhibition grounds and are therefore dependent on local exhibition infrastructures and exhibition site operators. On the other hand, this also allows the subsidiaries greater flexibility, making it easier for them to respond to regional shifts in the market and economic sectors with a change of venue. Challenges lie in finding suitable timeslots and in the quality of sufficient hall facilities. The severely tightened security requirements that trade fair organisers have to meet also harbour risks.

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

Some subsidiaries have a relatively small event portfolio that is often focused on just a few themes. This results in greater dependency on individual events and sectors. This risk is countered by the further rolling out of brand events, developing new trade fair themes and providing additional services.

Subsidiaries that depend strongly on the marketing of individual events such as Tendence or Texworld are collaterally affected if these events experience a negative trend.

Site/construction risks

The ongoing modernisation of the exhibition centre in Frankfurt am Main is a prerequisite for fulfilling growing customer needs. Risks may arise as a result of additionally required construction and maintenance measures that only come to light in the course of refurbishment work or unexpectedly become necessary at short notice as a result of security regulations.

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

Administrative risks

In its financing activities, the company as a matter of principle pursues a conservative strategy with respect to interest rate risks. The aim is to avoid interest rate risks that have a negative impact on earnings as far as possible. However, advantage is taken of opportunities presented by the respective market situation to reduce or minimise interest expenses. It is in general only permitted to make use of derivatives in connection with underlying transactions.

Earnings fluctuations resulting from foreign currency risks should be hedged as far as possible. The use of foreign-currency derivatives is tied to underlying transactions or binding budget assumptions. Currently, at 31 December, no foreign-currency risks are selectively hedged. They exist primarily in the case of distribution payouts by foreign subsidiaries.

The company as far as possible eliminates liquidity risks and the default risk on receivables by invoicing its services and demanding payment ahead of the event. Furthermore, the company also has adequate credit control and effective arrears collection systems in place. Defaults on receivables therefore only occur in exceptional cases.

Processes, structures and systems in the fields of purchasing, financing, human resources and IT are continuously being optimised. However, positive effects can only be realised by observing defined management and control processes, for example for procurements or projects.

In light of the increasing globalisation of the group and the growing importance of foreign operations, establishing and optimising globally coordinated systems and structures constitutes a permanent challenge. Increasing exigencies in the fields of governance and data privacy, above all when accompanied by growing internationalisation, may lead to higher expenditure in order to fulfil legal requirements and regulations.

Other risks

Over and above those disclosed, no risks that pose a threat to the existence or future development of the company are currently anticipated.

Risk management system

The Messe Frankfurt group has consolidated all opportunities and risks as well as measures taken within the company to control risk in a uniform and consistent risk management system. This system also encompasses the group subsidiaries.

Early-warning signals have been defined to enable future development risks to be identified in a timely manner. These include, for example, developments in the individual economic sectors, activities by competitors and exhibitor and visitor development.

The risk management manual defines in particular the risk principles, the risk management process and the documentation and monitoring of the risk management system. Risk management is conceived as a continuous process and is reviewed at regular intervals to ensure its adequacy and, where required, optimised.

Risk management overview

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

Expected developments

- In principle Messe Frankfurt sees opportunities for growth nationally as well as internationally, in particular with the following leverage:
- increased capacity utilisation at the Frankfurt venue,
 - further internationalisation of the trade fair brands through rollouts in the defined markets,
 - increased market share for services, both in terms of hardware (stand construction, catering, advertising) and increasingly in the field of digital services and sponsoring.

Against this background, Messe Frankfurt GmbH is again anticipating a positive exhibition year in 2014. This optimism is fuelled by the keen interest and stable demand experienced at the major springtime fairs at home and abroad in 2014 and the corresponding demand for space. Although the strong Automechanika and Light + Building own events both take place in 2014, the rhythm of major guest events (neither IAA Cars nor ACHEMA take place) means Messe Frankfurt predicts slightly lower capacity utilisation of the exhibition grounds in the ongoing financial year. Outside Germany on the other hand, the exhibition calendar and new events are expected to generate a significant expansion of business.

For 2014, the Messe Frankfurt group anticipates sales in the region of €561 million, around €16 million higher than in the previous year and, with around €26 million, a continued positive operating result.

Frankfurt am Main, 31 March 2014

Wolfgang Marzin Detlef Braun Uwe Behm

Consolidated balance sheet of Messe Frankfurt GmbH for the year ending 31 December 2013

Equity and liabilities		At 31.12.2012 €'000	At 31.12.2013 €	€
	Notes			
A. Equity	(8)			
I. Subscribed capital		180,000	180,000,000.00	
II. Capital reserves		85,219	112,148,640.00	
III. Revenue reserves				
– other revenue reserves		92,408	82,916,126.34	
IV. Foreign currency translation differences		–2,503	–5,887,996.08	
V. Retained profits carried forward		31,631	22,370,157.40	
VI. Net income for the year		21,177	31,180,433.38	
VII. Minority interests		3,936	4,541,741.17	
		411,868		427,269,102.22
B. Equity-similar special reserve for subsidies /grants for the acquisition of fixed assets	(9)	27,558		25,410,800.00
C. Provisions				
1. Provisions for pensions and similar obligations	(10)	10,748	11,124,466.13	
2. Provisions for taxes		15,747	20,033,375.32	
3. Other provisions	(11)	51,043	52,759,058.04	
		77,538		83,916,899.49
D. Liabilities	(12)			
1. Liabilities to banks		111,581	77,542,305.67	
2. Payments received on account of orders		137,717	134,308,773.17	
3. Trade payables		23,436	27,699,196.09	
4. Other liabilities		12,976	14,071,924.17	
		285,710		253,622,199.10
E. Deferred income	(13)	30,233		28,165,179.17
F. Deferred tax liabilities	(14)	1,437		1,436,504.00
		834,344		819,820,683.98

Consolidated income statement
of Messe Frankfurt GmbH
for the 2013 financial year

	Notes	2012 € '000	€ '000	2013 €	€
1. Sales	(16)	536,867		544,799,455.34	
2. Increase/decrease in inventories of finished goods and work in progress	(17)	0		1,129,198.00	
3. Other operating income	(18)	15,794		13,070,455.69	
		552,661			558,999,109.03
4. Event-related expenses	(19)	253,075		261,362,187.59	
5. Personnel expenses	(20)	120,119		123,354,852.12	
6. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	(21)	61,466		56,402,237.23	
7. Other operating expenses	(22)	60,079		61,617,185.65	
		494,739			502,736,462.59
8. Financial result	(23)		-4,725		-2,608,813.08
9. Result from ordinary activities			53,197		53,653,833.36
10. Extraordinary result	(24)		-13,134		-334,842.00
11. Taxes	(25)		15,431		18,644,643.90
12. Consolidated net income for the year			24,632		34,674,347.46
13. Profit attributable to minority interests			-3,455		-3,493,914.08
14. Consolidated net income for the year after minority interests			21,177		31,180,433.38

Explanatory notes to the 2013
consolidated financial statements

General disclosures

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

The consolidated income statement is classified using the total cost (nature of expense) method.

To enhance the clarity and transparency of the consolidated financial statements, individual items of the consolidated balance sheet and consolidated income statement have been combined. These items are explained separately in the notes to the consolidated financial statements. The additional disclosures required for the individual items have also been included in the notes.

Companies included in the consolidated financial statements

In addition to Messe Frankfurt GmbH, Frankfurt am Main, as parent, the consolidated financial statements also embrace the following subsidiaries

- Messe Frankfurt Venue GmbH, Frankfurt am Main /Germany
- Messe Frankfurt Medien und Service GmbH, Frankfurt am Main /Germany
- Accente Gastronomie Service GmbH, Frankfurt am Main /Germany
- Messe Frankfurt Exhibition GmbH, Frankfurt am Main /Germany
- EPOC Messe Frankfurt GmbH, Frankfurt am Main /Germany
- MESAGO Messe Frankfurt GmbH, Stuttgart /Germany
- Mesago Messemanagement GmbH, Stuttgart /Germany
- Mesago PCIM GmbH, Stuttgart /Germany
- Messe Frankfurt France S. A. S., Paris /France
- Messe Frankfurt Italia Srl., Milan /Italy
- Messe Frankfurt Istanbul L. S., Istanbul /Turkey
- O. O. O. Messe Frankfurt RUS, Moscow /Russia
- Messe Frankfurt Asia Holding Ltd., Hong Kong /China
- Messe Frankfurt (H.K.) Ltd., Hong Kong /China
- Messe Frankfurt (Shanghai) Co. Ltd., Shanghai /China
- Guangzhou Guangya Messe Frankfurt Co. Ltd., Guangzhou /China
- Messe Frankfurt New Era Business Media Ltd., Hong Kong /China
- Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen /China
- Mesago Messe Frankfurt Corporation, Tokyo /Japan
- Messe Frankfurt Trade Fairs India Pvt. Ltd., Mumbai /India
- Messe Frankfurt Korea Ltd., Seoul /South Korea
- Messe Frankfurt Inc., Atlanta /USA
- Messe Frankfurt México S. de R. L. de C. V., Mexico City /Mexico
- Messe Frankfurt Feiras Ltda., São Paulo /Brazil
- Indexport Messe Frankfurt S. A., Buenos Aires /Argentina

over which Messe Frankfurt GmbH directly or indirectly has a controlling influence.

Effective from 1 January 2013, Messe Frankfurt Grundbesitz Verwaltung GmbH, Frankfurt am Main, and Messe Frankfurt Grundbesitz GmbH & Co. KG, Frankfurt am Main, were merged with Messe Frankfurt GmbH, Frankfurt am Main, or rather Messe Frankfurt Venue GmbH, Frankfurt am Main. As this transaction constitutes an internal restructuring within the group, it does not generate goodwill or have any effect on group earnings.

The remaining shares (5 percent) in Accente Gastronomie Service GmbH, Frankfurt am Main, were acquired with effect from 1 January 2013.

Also with effect from 1 January 2013, Messe Frankfurt New Era Business Media Ltd., Hong Kong/China, a 70-percent subsidiary of Messe Frankfurt (H.K.) Ltd., Hong Kong/China, set up the company Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China, which was included for the first time in the consolidated financial statements at 31 December 2013. The business operations of Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China, are substantiated by the acquisition of a commercial business by Messe Frankfurt New Era Business Media Ltd., Hong Kong/China, (Shenzhen Business). Within the scope of this transaction intangible assets amounting to € 276,000 and operating and office equipment amounting to €22,000 was taken over in full as of 1 September 2013.

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

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

SMT/ASIC/Hybrid MESAGO Messe & Kongreß GmbH & Co. oHG, Nuremberg
PAACE Automechanika Mexico City, LLC, Atlanta/USA

Consolidation principles and currency translation

The balance sheet date for the consolidated financial statements as well as all subsidiaries included in the financial statements is 31 December 2013.

Acquisition accounting uses the book-value method to consolidate subsidiaries by eliminating the carrying amounts of the investments against the proportionate equity of the subsidies attributable to the parent at the time of acquisition, where the acquisition process occurred in a financial year commencing before 1 January 2010. From 2010 the revaluation method has been used.

In the case of jointly managed undertakings all consolidation steps are carried out proportionate to the ownership interests pursuant to Section 310 HGB.

Receivables, liabilities, expenses and income items between companies included in the consolidated financial statements are netted. Provisions relating to intercompany transactions as well as gains and losses arising from intercompany deliveries and services are eliminated. Where acquisition accounting resulted in goodwill, this was amortised systematically in accordance with Section 309 (1) HGB, over the term of the underlying agreement or over a useful life of 15 years, or written down to fair value on the balance sheet date. The useful life was estimated at 15 years on the assumption that trade fair operations have a long-term orientation and the goodwill can be used over this period.

End-of-year financial statements of the foreign subsidiaries prepared in a foreign currency are translated in compliance with German Accounting Standard Section 308a HGB. All balance sheet items of the included foreign group entities, with the exception of Equity (subscribed capital, reserves, retained profits carried forward), which is carried at historical rates, are translated into euros at the respective mid-rate on the reporting date. Differences arising from the translation of equity as a result of changes in the exchange rate compared to the previous year are included as not affecting income in Equity under Foreign currency translation differences.

Expenses and income are translated at the mid-rate. The net income for the year shown in the translated income statement is carried over into the consolidated balance sheet and included as not affecting income in Equity under Foreign currency translation differences.

Accounting and measurement policies, currency translations

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

Purchased intangible fixed assets are recognised at cost, less (where subject to wear and tear) amortisation over their useful life.

Tangible fixed assets are recognised at cost, less depreciation through use (buildings 25 to 40 years) and, where applicable, write-downs. In the case of technical retrofits of halls already fully depreciated, a useful life of 10 years was assumed. Amortisation/depreciation for use is calculated on a straight line basis according to unchanged principles. In the case of new additions in the period 1989 to 1993, use was made of the right to opt for a higher depreciation value for buildings in accordance with Section 7, (5) EStG (German Income Tax Law). New additions are amortised or depreciated on a pro rata temporis basis.

Low-value assets with a net value of up to € 150 per item were written off in full or expensed in the year of acquisition with their immediate disposal being assumed. In the interest of simplification, assets with purchase costs above € 150 to € 410 net per item are recognised in the financial statements as a compound item for tax purposes. The compound item is written off in full in the year of acquisition. Additions to tangible fixed assets are otherwise depreciated on a pro rata temporis basis.

Under Financial assets, shares and ownership interests are stated at cost or, where a permanent impairment loss appears probable, at their lower fair value.

Inventories of raw materials, consumables and supplies are valued at the lower of cost or market value on the balance sheet date.

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

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

The corporation tax credit of the domestic group companies is stated at present values in line with the Act on Fiscal Measures Accompanying the Introduction of the Societas Europaea and on Amending Further Tax Provisions (SEStEG).

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

Liquid assets are disclosed at nominal value.

Provisions are in principle recognised in the payable amount determined by applying sound commercial judgement (i.e. including future costs and price increases). They take account of all identifiable risks and contingent liabilities. Provisions with a residual term of more than one year are discounted.

Pension provisions and similar obligations are disclosed in accordance with the Projected Unit Credit Method (PUC method) based on the “2005 G actuarial tables” compiled by Prof. Klaus Heubeck. For discounting purposes, the average market interest rate of 4.88 percent (previous year 5.04 percent) with a residual term of 15 years is applied across the board in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung) of 18 November 2009. An anticipated rate of pension progression of 2.0 percent is assumed. No employment fluctuations or pay trend are taken into account.

For Accente Gastronomie Service GmbH, Frankfurt am Main, pension provisions are recognised in accordance with the modified actuarial cost method on the basis of the “2005 G actuarial tables” compiled by Prof. Klaus Heubeck. For discounting purposes, the average market interest rate of 4.89 percent with a residual term of 15 years is applied across the board. Anticipated pay rises of 2.5 percent and a rate of pension progression of 2.0 percent are assumed. Fluctuation is given consideration with a flat rate of 1.8 percent. Unlike previous years, the entity chose not to use the option provided under Section 67 (1), Sentence 1 EGHGB (Act Introducing the German Commercial Code), and the residual transfer amount arising from the changes in provisions accounting pursuant to Sections 249 (1), Sentence 1 and 253 (1), Sentence 2, Sub-section 2 HGB as a result of the German Accounting Law Modernisation Act (BilMoG) with effect from 1 January 2010 is recognised.

Some employees of the Messe Frankfurt group have concluded deferred compensation agreements pursuant to Section 1a (2) BetrAVG (German Company Pensions Act). The level of benefits is calculated pursuant to Section 253 (2), Sentence 3 HGB on the basis of the fair value of the reinsurance cover taken out. The market value of the reinsurance with a value (amortised cost) of €1.038 million (previous year €978,000) is netted against the provisioning requirement.

Provisions for taxes comprise outstanding taxes not yet assessed for the financial year and are recognised at the expected settlement amount based on sound commercial judgement.

Other provisions include all contingent liabilities and impending losses from pending transactions. They are stated at the amount deemed necessary based on sound commercial judgement. Provisions are also recognised for possible indemnification claims by commercial agents.

Provisions for partial retirement recognised in Other provisions as at the balance sheet date are valued in line with the pronouncements of the IDW RSHFA 3 (accounting methods for partial retirement obligations under IAS and HGB), and the provisions of the German Commercial Code (HGB), based pursuant to Section 253 (2), Sentence 2 HGB on an interest rate of 4.88 percent (previous year 5.04 percent). Anticipated pay rises are taken into account by applying a salary trend of 2.0 percent (previous year 2.0 percent).

In respect of social security contributions, taking account of the income thresholds for pension and unemployment insurance (West) and for health and long-term care insurance, an unchanged contribution rate of 18.975 percent is assumed.

Jubilee benefits recognised in Other provisions are valued in accordance with the Projected Unit Credit Method. Under this method, the provision amount is defined as the actuarial present value of all pro rata benefits attributed to employee service up to the balance sheet date. The discount rate is 4.88 percent (previous year 5.04 percent). Employer’s contributions to the statutory pension plan accruing on payment of the jubilee benefit are stated at a flat rate of 14.5 percent (previous year 14.5 percent) of the jubilee payments made.

Liabilities are carried at their repayment amount.

Asset and liability items denominated in foreign currencies are in principle translated at the mid-rate as at the reporting date. For assets and liabilities with a residual term of over one year, the parity and realisation principle (Section 252 (1) No. 4 HGB) and the purchase cost principle (Section 253 (1) Sentence 1 HGB) are applied.

Incurred costs for press, advertising and public relations work for events in subsequent years are posted throughout the group as expenses in the reporting year.

For the Frankfurt-based entities, expenses disclosed under Event-related expenses and Other operating expenses were reclassified in the reporting year with the aim to enhance cost transparency. This resulted in a reduction in net event-related expenses of €1.7 million. This relates in particular to expenditure for personnel expenses of external companies (surveillance, cleaning) and energy costs. Consequently, the figures for these expense items for the reporting year are only conditionally comparable to those of the prior period.

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

Deferred taxes determined under Section 306 HGB are not netted out; the underlying tax rate is 31.9 percent.

Notes to the consolidated balance sheet

(Amounts in €'000 unless otherwise stated)

(1) Fixed assets

The classification of the combined fixed asset headings disclosed in the consolidated balance sheet and their development trend (Statement of changes in fixed assets) in 2013 is attached to these notes. Additions to tangible fixed assets result primarily from additions to land and build-ings, operating facilities as well as other inventories.

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

Asset item	Useful life
Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	3–5 years
Goodwill	15 years
Land, land rights and buildings, incl. buildings on third-party land	10–40 years
Technical equipment and machinery	5–10 years
Other equipment, operating and office equipment	3–20 years

(2) Inventories

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

(3) Trade receivables

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

(4) Other assets

	total	due after more than one year
Taxes	14,181	905
Prepayments	5,637	204
Other	4,500	375
Total 2013	24,318	1,484
Total 2012	35,471	999

Taxes are principally prepayments on taxes amounting to €4.265 million (previous year €12.509 million) and VAT receivables in the amount of €9.801 million (previous year €4.303 million). The reduction in Other assets results from reimbursements of VAT receivables.

Other assets include receivables from the City of Frankfurt in the amount of €760,000 (previous year €3.139 million).

(5) Securities

Securities relate to bonds and commercial papers.

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

	2012	2013
Cheques and cash-in-hand	990	1,031
Bank balances	111,805	140,550
	112,795	141,581

(7) Deferred tax assets

Deferred tax assets are formed due to consolidation procedures pursuant to Section 306 HGB and include deferred taxes from the future amortisation of concessions, as well as temporary differences from the valuation of land.

(8) Equity

The classification of equity and minority interests is attached to these notes.

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

The special reserve relates to a grant made by the City of Frankfurt am Main in connection with the “Rebstockgelände” car park. The writeback of the special reserve is recognised in income, corresponding to depreciation of the car park over a useful life of 25 years.

(10) Provisions for pensions and similar obligations

The adjustment amount of €335,000 accruing to Accente Gastronomie Service GmbH, Frankfurt am Main, arising from the change in the accounting and valuation of provisions pursuant to Sections 249 (1), 253 (1), Sentence 2 and 253 (2) HGB as a result of the German Accounting Law Modernisation Act (BilMoG) and not allocated in prior periods is added in the period under review. As at the balance sheet date the pension obligations of the Messe Frankfurt GmbH group are thus carried in full at their settlement value.

(11) Other provisions

Other provisions mainly include outstanding purchase invoices, repairs and refurbishment commitments, indemnification claims by commercial agents, as well as claims from employees.

The retention option pursuant to Section 67 (3) EGHGB is exercised for a provision.

(12) Liabilities

	due within one year	due between one and five years	due after more than five years
Liabilities to banks	9,773	67,769	0
Payments received on account of orders	134,309	0	0
Trade payables	25,702	1,997	0
Other liabilities	14,067	5	0
– of which taxes	(9,649)	(0)	(0)
– of which social security	(365)	(0)	(0)
Total 2013	183,851	69,771	0
Total 2012	207,966	77,745	0

Liabilities to banks are secured by a first-rank registered land charge, the assignment of rights and claims arising from the property insurance (in particular fire and terror) relating to the property used as collateral, as well as through an ownership clause.

Trade liabilities include liabilities to the City of Frankfurt am Main in the amount of €233,000 (previous year €16,000).

(13) Deferred income

The one-off payments received in advance in the years 1988 and 1996 for 35 years respectively for two building leases and a payment for a 99-year joint usufruct in parts of buildings are disclosed under Liabilities as Deferred income. The three partial deferred income amounts are written back on a straight-line basis over the specified terms.

(14) Deferred tax liabilities

Deferred tax liabilities are formed pursuant to Section 309 HGB and include deferred taxes on provisions for indemnification claims by commercial agents.

(15) Other financial commitments and contingent liabilities

Other financial commitments total €149.921 million. These are primarily made up of commitments from open purchase orders related to investments, commitments arising from rent and lease contracts, commitments relating to the acquisition of additional company shares as well as ground rents for three building lease contracts.

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

The entities participating in the cash pool are liable only insofar and to the extent that they have themselves generated the liability balance and/or themselves received the loan resulting from the overdraft. They are additionally liable insofar and to the extent that compliance with the assumed obligation to pay does not affect the assets required to maintain the nominal capital at the time of entering into the payment obligation. The assumption of joint and several liability also applies in the event that the accorded overdraft limit or credit line is exceeded. The medium-term financial planning of the entities incorporated in the Messe Frankfurt group does not indicate any potential liability from the contingencies mentioned.

The company administrates fiduciary accounts for events hosted by guest organisers. The balance of the fiduciary accounts at the balance sheet date is €942,000.

Notes to the consolidated income statement

(Amounts in €'000 unless otherwise stated)

(16) Sales

according to type	2012	2013
Stand rents	310,461	312,503
Halls, site and other rents	37,404	40,396
Admission fees and participation fees	10,656	11,206
Services and other income	178,346	180,694
	536,867	544,799

according to region	2012	2013
Germany	368,388	378,251
Europe excl. Germany	28,124	31,291
Asia	119,011	124,085
America	21,344	11,172
	536,867	544,799

(17) Increase or decrease in finished goods and work in progress

This item relates to income from invoiceable input for events in subsequent years.

(18) Other operating income

This account mainly includes prior-period income from the reversal of provisions (€2.658 million), income from prior years relating to other accounting periods (€334,000) and non-period income from recoveries on receivables already written off (€869,000), as well as income from exchange rate differences (€6.040 million) and income from the pro rata temporis reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets (€2.147 million).

(19) Event-related expenses

	2012	2013
Cost of consumables and supplies and of purchased merchandise	17,694	14,893
Cost of purchased services	235,381	246,469
	253,075	261,362

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

(20) Personnel expenses/employees

	2012	2013
Wages and salaries	99,711	101,747
Social security, post-employment and other employee benefit costs	20,407	21,608
– of which in respect of old-age pensions	(5,171)	(6,256)
	120,119	123,355

Employees (active, annual average)	2012	2013
Vice presidents	38	39
Other salaried employees	1,544	1,641
Wage-earning employees	175	186
	1,757	1,866

The companies included on a pro rata basis pursuant to Section 310 HGB have no employees.

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

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

(22) Other operating expenses

Other operating expenses amounting to €61.617 million principally include rental and lease expenses and office costs, legal, consulting and auditing costs, expenses for promotional activities and allowances for bad debts. Expenses arising from exchange rate differences and prior-period expenses are included with €4.298 million and €363,000 respectively.

(23) Financial result

	2012	2013
Other interest and similar income	1,757	2,293
Interest and similar expenses	6,482	4,902
	–4,725	–2,609

Interest and similar expenses principally include interest for the amortisable loan taken out to finance the building of Hall 3.

(24) Extraordinary result

The extraordinary result is attributable to an extraordinary expense relating to Accente Gastronomie Service GmbH in the amount of €335,000 arising from the allocation of the accruing residual amount for pension provisions, as the option provided under Section 67 (1), Sentence 1 EGHGB (Act Introducing the German Commercial Code) (transitional provisions of the German Accounting Law Modernisation Act (BilMoG)) is no longer used.

(25) Taxes

	2012	2013
Deferred taxes	–286	113
Taxes on income	11,758	14,347
Other taxes	3,959	4,184
	15,431	18,644

Reconciliation of expected income tax expense

	2012	2013
Earnings before taxes (financial accounts)	36,103	49,135
Expected income tax expense (group tax rate 31.9%; previous year 30.0%)	10,831	15,686
Effects of changes in tax rates	240	–100
Tax-free income / trade tax deductions	–579	–1,785
Non-deductible business expenses / trade tax additions incl. Section 8 (1) GewStG (German Trade Tax Act)	2,035	1,702
Taxes attributable to previous years recognised in the reporting period	70	–644
Effects of deviating tax rates	–479	–1,631
Effects of non-recognisable/deductible income taxes	–16	–1
Effects of consolidation	–279	228
Effects of options under Section 274 (1) HGB	129	348
Other effects	–480	657
Recognised income tax expense	11,472	14,460
Effective group tax rate (%)	31.8	29.4

Other disclosures

Disclosures relating to the cash flow statement

Cash funds recognised in the cash flow statement comprise exclusively cash-in-hand and bank balances.

Cash funds comprise €191,000 accounted for by companies included on a pro rata basis. These are not subject to any restraints on disposal.

Non-cash income results primarily from the reversal of deferred income for building leases amounting to €2.099 million, the reversal of the equity-similar special reserve for subsidies or grants for the acquisition of fixed assets amounting to €2.147 million, the extraordinary result of Accente Gastronomie Service GmbH as well as currency translation items.

In fiscal 2013, interest amounting to €2.548 million and income tax refunds in the amount of €2.646 million were recognised. Interest payments of €4.911 million and income tax payments in the amount of €10.388 million were also made.

In the financial year an amount of €13 million was distributed to the shareholders and €3.202 million to minority interests.

Disclosures relating to the consolidated statement of changes in equity

No parts of the earned group equity were barred from distribution at the balance sheet date of 31 December 2013.

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

Cost						
Amounts in € '000	At 01.01.2013	Additions	Disposals	Transfers	Currency trans- lation differences	At 31.12.2013
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	88,154	5,979	193	0	-461	93,479
2. Goodwill	65,074	538	0	0	-413	65,199
	153,228	6,517	193	0	-874	158,678
II. Tangible fixed assets						
1. Land, land rights and buildings, incl. buildings on third-party land	1,205,643	25,163	79	1,977	-54	1,232,650
2. Technical equipment and machinery	99,479	2,032	0	80	0	101,591
3. Other equipment, operating and office equipment	97,423	6,470	2,845	177	-262	100,963
4. Prepayments and assets under construction	6,961	7,913	277	-2,234	-2	12,361
	1,409,506	41,578	3,201	0	-318	1,447,565
III. Long-term financial assets						
Long-term equity investments	20	0	0	0	0	20
	20	0	0	0	0	20
	1,562,754	48,095	3,394	0	-1,192	1,606,263

Depreciation, amortisation and write-downs (cumulative)				Carrying amounts		
At 01.01.2013	Additions	Disposals	Currency trans- lation differences	At 31.12.2013	At 31.12.2012	At 31.12.2013
73,416	6,385	37	-421	79,343	14,738	14,136
41,504	3,567	0	-149	44,922	23,570	20,277
114,920	9,952	37	-570	124,265	38,308	34,413
685,861	35,711	61	-50	721,461	519,782	511,189
73,679	3,987	0	0	77,666	25,800	23,925
77,611	6,753	2,846	-192	81,326	19,812	19,637
0	0	0	0	0	6,961	12,361
837,151	46,451	2,907	-242	880,453	572,355	567,112
0	0	0	0	0	20	20
0	0	0	0	0	20	20
952,071	56,403	2,944	-812	1,004,718	610,683	601,545

Supervisory Board of Messe Frankfurt GmbH

Peter Feldmann
(Chairman)

Mayor, City of Frankfurt am Main, Frankfurt am Main

Florian Rentsch
(1st Vice-chairperson)

Minister for Economics, Transport and State Development for the State of Hesse, Wiesbaden (until 18 January 2014)

Ute Schuchardt
(2nd Vice-chairperson)

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

Jörn Apfelstädt

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

Uwe Becker

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

Olaf Cunitz

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

Wolfgang Dimmer

Project manager at Messe Frankfurt Venue GmbH, Frankfurt am Main

Bernd Ehinger

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

Jürgen Engel

Bad Sooden-Allendorf

Markus Frank

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

Prof. Dr Gottfried Honnefelder

Director of Berlin University Press GmbH & Co. KG, Berlin/ Cologne

Christian Klingler

Member of the Board of Management of Volkswagen AG, Wolfsburg

Alexander Neumann

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

Dr Lutz Raettig

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

Boris Rhein

Minister for Science and the Arts for the State of Hesse, Wiesbaden

Peter Saalmüller

Idstein

Dr Thomas Schäfer

Minister for Finance for the State of Hesse, Wiesbaden

Manuel Stock

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

Peter Thomaschewski

Liederbach

Dr Martin Viessmann

CEO of Viessmann Werke GmbH & Co. KG, Allendorf

Hamid Yazdtschi

CEO of Gilde-Handwerk Macrander GmbH & Co. KG, Bocholt

Auditors’ fees

The auditors’ fees for the financial year for auditing the accounts of the group and the group entities amounted to €678,000, of which €371,000 is apportionable to BDO AG Wirtschaftsprüfungsgesellschaft Frankfurt am Main and Stuttgart. The auditors did not provide any other services.

Remuneration of the members of the executive bodies

The remuneration of the members of the Executive Board comprises a fixed and a variable component. The fixed remuneration is made up of a fixed annual salary and a guaranteed year-end bonus. For the purpose of pension provision the company makes contribution payments to insurances. In addition, the individual members of the Executive Board receive non-cash benefits that are individually taxed. These primarily include provision of a company car and insurance benefits for business travel at standard market rates. The variable remuneration is calculated in line with consolidated EBITDA and consolidated sales in relation to the business plan approved by the Supervisory Board.

The following table shows the remuneration of the members of the Executive Board in fiscal 2013:

in € '000	Fixed remuneration		Variable remuneration	Pension provision	Non-cash benefits	Total
	Fixed annual salary	Guaranteed year-end bonus				
Wolfgang Marzin	300	60	130	57	12	559
Uwe Behm	265	60	130	70	9	534
Detlef Braun	265	60	130	70	15	540
Total						1,633

Provisions for each Executive Board member amounting to €130,000 for variable bonuses were recognised in 2013. The emoluments of the Executive Board members for 2013 do not contain any components with a long-term incentive effect.

In fiscal 2013 it was agreed that from fiscal 2014 the variable bonus arrangement would be amended to the effect that as well as financial targets of the group, socio-economic agendas of the Frankfurt venue should also be defined as performance targets. The target value for the respective performance target is based on the average of three prior reference periods and the business plan. An Executive Board member’s bonus is therefore in future limited to a maximum of €130,000. Furthermore, this bonus can be adjusted using a discretionary multiplier between 0.8 and 1.2 based on the individual Executive Board member’s performance.

The members of the Executive Board were promised benefits in the case of premature termination of their term of office by the General Meeting without serious cause. This foresees severance payments in the event of termination of their employment contracts in a maximum amount of three years’ total annual remuneration, or the lower remuneration for the remaining term of their contract.

A two-year non-competition covenant was also agreed with the Executive Board members in the case of termination of their service for Messe Frankfurt. By way of compensation, the Executive Board members receive an indemnification payment of 65 percent of their last gross salary. The obligation to indemnify ceases to apply if the Executive Board member earns – or maliciously fails to earn – an income by deploying his services elsewhere and the indemnification with the addition of the new or potential earnings exceeds his last gross salary by more than 25 percent. There is no entitlement to an indemnification payment if the company releases the Executive Board member from the non-competition covenant.

No loans or advances were granted to members of the Executive Board in fiscal 2013.

Superannuation benefits and retirement annuities, as well as interim payments and indemnifications of €971,000 (previous year €1.084 million) were paid to former members of the Executive Board and surviving dependents. Pension provisions totalling €9.027 million (previous year €8.822 million) were recognised for the latter group of persons at 31 December 2013. The remuneration and expenses allowance paid to members of the Supervisory Board amounted to a total of €42,000 (previous year €24,000).

Executive Board

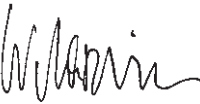
The following were appointed to the Executive Board:

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

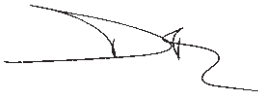
Detlef Braun, Diplom-Betriebswirt (Graduate in Business Administration),

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

Frankfurt am Main, 31 March 2014



Wolfgang Marzin



Detlef Braun



Uwe Behm



Consolidated cash flow statement
of the Messe Frankfurt GmbH group

in € '000	2012	2013
Consolidated net income for the year before extraordinary result	37,766	35,009
Depreciation, amortisation and write-downs (+) of fixed assets	61,466	56,402
Increase (+)/decrease (–) in provisions	3,410	6,379
Other non-cash expenses (+) and income (–)	–5,057	–6,731
Proceeds (–)/expense (+) from disposal of fixed assets	–69	18
Increase (–)/decrease (+) in inventories	–3	–1,218
Increase (–)/decrease (+) in trade receivables and other assets not attributable to investing or financing activities	14,156	7,963
Increase (+)/decrease (–) in trade payables and other liabilities not attributable to investing or financing activities	29,373	2,083
Payments (–)/cash proceeds (+) from extraordinary items	–13,106	0
Cash flows from operating activities	127,936	99,905
Intangible fixed assets/tangible fixed assets		
– Capital expenditures	–26,962	–48,095
– Proceeds from disposal of fixed assets	6,257	433
Payments for acquisition of consolidated companies	0	–511
Payments for cash investments (securities)	–21,066	27,427
Cash flows from investing activities	–41,771	–20,746
Cash payments (–) to the owners of Messe Frankfurt GmbH and minority shareholders	–15,997	–16,202
Cash repayments (–) of bank loans	–33,739	–34,171
Cash flows from financing activities	–49,736	–50,373
Net change in cash funds	36,429	28,786
Cash funds at beginning of period	76,366	112,795
Cash funds at end of period	112,795	141,581

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

n € '000	Parent				Minority interests			Group	
	Subscribed capital	Capital reserves	Group revenue reserves	Currency translation differences	Equity	Minority interests	Currency translation differences	Equity	Equity
At 31.12.2011	180,000	85,219	137,039	–1,388	400,870	3,327	18	3,345	404,215
Dividends paid			–13,000		–13,000	–2,997		–2,997	–15,997
Other changes				–1,115	–1,115	18	115	133	–982
Consolidated net income for the financial year			21,177		21,177	3,455		3,455	24,632
At 31.12.2012	180,000	85,219	145,216	–2,503	407,932	3,803	133	3,936	411,868
Dividends paid			–13,000		–13,000	–3,202		–3,202	–16,202
Change from merger of Messe Frankfurt Grundbesitz GmbH & Co. KG		26,930	–26,930		0			0	0
Other changes				–3,385	–3,385	–555	869	314	–3,071
Consolidated net income for the financial year			31,180		31,180	3,494		3,494	34,674
At 31.12.2013	180,000	112,149	136,466	–5,888	422,727	3,540	1,002	4,542	427,269

Auditors’ report

We have audited the consolidated financial statements prepared by Messe Frankfurt GmbH, Frankfurt am Main – comprising the balance sheet, income statement, notes, cash flow statement and statement of changes in equity – and the group management report for the financial year from 1 January 2013 to 31 December 2013. Responsibility for the preparation of the consolidated financial statements and the group management report in compliance with the provisions set forth under German commercial law lies with the company’s legal representatives. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with the provisions of Section 317 HGB (German Commercial Code) and the generally accepted auditing principles for the audit of financial statements as laid down by the Institut der Wirtschaftsprüfer (IDW) (Institute of German Independent Auditors).

Those standards require that we plan and perform the audit such that misstatements and violations having a material effect on the presentation of the net assets, financial position and results of operations as conveyed by the consolidated financial statements in compliance with German accepted accounting principles and by the group management report can be detected with reasonable assurance. In determining audit procedures, the auditor is guided by his understanding of the business activities concerned, of the commercial and legal environment in which the group operates, and his assessment of the risks of possible misstatements. The auditor considers, primarily on a random basis, the effectiveness of the accounting-related internal control system and evidence supporting the amounts and disclosures in the consolidated year-end financial statements and the group management report. The audit includes assessing the annual financial statements of the companies included in the consolidated financial statements, the definition of the reporting entity structure, the appropriateness of the accounting and consolidation policies applied and material estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not lead to any objections.

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

Frankfurt am Main, 6 May 2014

BDO AG
Auditors

pp Erbe Auditor	Dr Rosien Auditor
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Report of the Supervisory Board

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

Meetings of the Supervisory Board

The Supervisory Board convened two regular meetings in fiscal 2013.

Activities of the Supervisory Board

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

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

- The Supervisory Board dealt intensively with the foundation of Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China, by Messe Frankfurt New Era Business Media Ltd., Hong Kong.
- The Supervisory Board discussed in detail the acquisition of building plot 42a and construction of a new office building and an entrance on building plot 42a. The Supervisory Board approved the acquisition of building plot 42a and issued a proposed resolution to the shareholders.
- Furthermore, the Supervisory Board examined Messe Frankfurt’s strategic options for entry into the African market. Potential acquisition of a majority shareholding in a South African exhibition company was also discussed in detail.

Work of the Committees

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

The Investment Committee held two meetings during fiscal 2013. At its meetings it gave detailed attention to business transactions and the economic situation, as well as the financial statements of the subsidiaries and investments in associates of Messe Frankfurt Venue GmbH and Messe Frankfurt Exhibition GmbH. Furthermore, the aforementioned strategic options relating to entry into the African market, the potential acquisition of shares in a South African company and the foundation of Messe Frankfurt New Era Advertising (Shenzhen) Co. Ltd., Shenzhen/China, were discussed in detail.

The Financial and Audit Committee met for two regular and one extraordinary meeting during fiscal 2013. At its meetings it discussed the aforementioned acquisition of building plot 42a. Furthermore, the Financial and Audit Committee discussed transactions and the economic development of the sub-groups Messe Frankfurt Venue GmbH and its subsidiaries, Messe Frankfurt Exhibition GmbH, the holding companies, Messe Frankfurt GmbH as well as the Messe Frankfurt group. With respect to the aforementioned companies, the Financial and Audit Committee also examined in detail the financial statements and consolidated financial statements as well as the management reports of the individual entities and of the group.

The Building Committee convened once in 2013. At its meeting it focused on current building projects relating to the development of the exhibition grounds.

Conflicts of interest

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

Annual financial statements and consolidated financial statements

The single-entity financial statements of Messe Frankfurt GmbH and the consolidated financial statements for the year ended 31 December 2013 were examined and issued an unqualified audit opinion by BDO Wirtschaftsprüfungsgesellschaft. The audit contract was awarded by the Chairman of the Supervisory Board in accordance with the resolution passed by the shareholders, the City of Frankfurt and the State of Hesse, of 12 August 2013.

The single-entity and consolidated financial statements and management reports were prepared in accordance with the provisions set forth in the German Commercial Code (HGB) applicable to large companies limited by shares and examined by the auditors. The Financial and Audit Committee discussed the single-entity and consolidated annual financial statements, the management reports as well as the audit reports at its meeting of 23 June 2014 in the presence of the auditors and recommended that the Supervisory Board approve the statements. At the meeting convened to adopt the annual financial statements on 2 July 2014, the Chairperson of the Financial and Audit Committee commented on the recommendation and submitted its proposal to the Supervisory Board, which extensively reviewed the single-entity and consolidated financial statements and management reports in the presence of the auditor, who reported on the key audit findings.

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

As recommended by the Financial and Audit Committee, the Supervisory Board approved the findings of the audit and adopted the single-entity and the consolidated annual financial statements for the year ended 31 December 2013. The report of the Executive Board on the position of Messe Frankfurt GmbH and the group management report for the 2013 financial year were approved and accepted.

The Supervisory Board would like to thank the Executive Board for the trust-based cooperation and all employees for the good work done and their contribution to the successful 2013 financial year.

Frankfurt am Main, 2 July 2014

For the Supervisory Board

Peter Feldmann
Chairman

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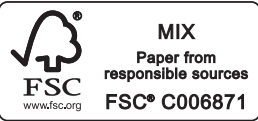
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