

Remarks by

Wolfgang Marzin, Detlef Braun and Uwe Behm

Messe Frankfurt GmbH Executive Board

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Check against delivery

Wolfgang Marzin

Fairs & Events, Locations and Services – these are the three pillars upon which Messe Frankfurt's business model is based. As well as organising some 150 trade fairs of our own worldwide, we hire out our Frankfurt base, playing host to more than 250 guest events every year. Our full-service programme is rounded off with a wide range of analogue and digital services for our customers. Our well-established business model forms a solid foundation for us to grow and develop further. As far as its financial position and event portfolio are concerned, the Messe Frankfurt Group remains stronger than ever in 2018. We are on course for an estimated €700 million in sales, with profitability also on the rise. We have consolidated our worldwide network with the addition of a new location in the United Kingdom and another one in China. Operating business in the first half of the financial year has been very promising and projections for the coming events are very good indeed. Messe Frankfurt enjoys a healthy mixture of organic and inorganic growth. With a current total of 25 events making their debut, we are forging ahead with our new business. And we have further significant acquisitions planned for this and next year.

Messe Frankfurt is picking up where it left off in previous financial years. Since 2010, Group sales have increased by around 50 percent, from €448 million to around €669 million in 2017. This is more than €22 million – or roughly four percent – more than in the previous record year 2016 (around €647 million). According to the financial statements for financial year 2017, annual net income is therefore at around €41 million (2016: approximately €50 million; 2015: approximately €38 million). This is the second-best result in the company's history.

Trade fairs have been held in Frankfurt for the last 800 years or so. The roots of the modern-day Messe Frankfurt can be found in the Export Fair that was held in Frankfurt in 1948. This event, which will have taken place 70 years ago on 3 October of this year, was also a pioneering force behind the company's sustainable international development. From an economic and psychological perspective, the effects of this autumn trade fair – the first to be held after the Second World War – were enormous when it came to stimulating foreign trade and reconstructing and expanding the exhibition grounds. And in helping Messe Frankfurt to develop into a market leader in the international trade fair sector. Our shareholders – the State of

Hesse and the City of Frankfurt am Main – have always supported our strategic orientation and helped Messe Frankfurt to continue building upon its leading market position.

From both an economic and cultural viewpoint, Messe Frankfurt has strong roots in Frankfurt and its surrounding region. We create synergies between our events, the city and its people and work closely together with many city institutions. Every two years, Luminale shows the key themes of Light + Building in an urban context, demonstrating solutions for a truly visionary urban design. With the Musikmesse Festival, which is held every year as part of Musikmesse and Prolight + Sound, we underpin the cultural asset that is music, stimulating the vibrant, exciting creative sector in the city. Over the next five years, Messe Frankfurt will be putting its weight behind the Frankfurt University of Applied Sciences (Frankfurt UAS), providing a quarter of a million euros to help finance the new bachelor degrees in “Real Estate and Facility Management” and “Real Estate and Integral Building Technology”. This means that, when it comes to honing new talent, we are looking to a university in our own city. And last but not least, Messe Frankfurt’s strong domestic event portfolio has an enormous impact on purchasing power throughout Germany, creating indirect returns of €3.6 billion annually at present as well as securing 33,360 jobs nationwide.

Messe Frankfurt focuses on being a strong, flexible high performer. It is our duty to make sustainable investments and to pursue good business practices. By aligning our events with the needs of our sectors, we are acting from a position of strength. In other words: We are not just keeping pace – we are actively involved in shaping the market. This includes expanding our core business so that we can be a marketing and service partner to our customers. Messe Frankfurt’s latest Annual Report illustrates the great extent to which trends, innovations and future models are closely linked at our events, how the inherent significance of products evolves, and how ideal environments spawn cutting-edge technological performance. Our corporate group is continuing to grow. The synergies that we achieve within our companies around the world are strengths that we can use profitably and sustainably.

Detlef Braun

The first half of financial year 2018 went very smoothly and was extremely promising. Our range of worldwide events is growing in breadth and depth, not least because we are at hand with the right events in key growth regions. The high international component and high levels of satisfaction among participants make it clear that our events match supply and demand congruently to the needs of our customers. If everything goes according to plan, we are confident that our exhibitor record from 2017 will be broken yet again. Let me share with you a few facts from our events. The Automechanika brand only came into being 25 editions ago. Today, we have a strong brand family with 17 events in 15 countries all over the world. When the event celebrates its 25th anniversary in Frankfurt this September, we expect a historic level of registrations – there will also be new topics on board, such as the debut of the REIFEN tyre trade fair and the collaboration with RETRO-Messen in the Classic Cars segment. Global urbanisation and advancing digitalisation call for practicable solutions. Here, the focus is on sustainable and networked mobility and logistics. Hypermotion, which was launched last year, is our response to this.

Even though very different parameters are instrumental in the creation of products and events, they still have one common denominator. Supply and demand determine success and the relationship between the two has always been central to business. When they come together, they generate the added value that all participants want. In accordance with demand in the industry sectors, Messe Frankfurt adapts and modifies its own programme with a view to providing the right platforms. When developing new events and optimising existing ones, Messe Frankfurt hones in not only on trends but also on radical changes. In the interests of our customers, we invest extensively in content – in the form of products, services and solutions.

Linking together different perspectives and industry sectors creates space for new projects, business models, cooperative measures and target groups. The new exhibition format “Interior Architecture Hospitality” enabled us to gear our specialised portfolio towards the contract business and, in turn, to secure a new target group for Heimtextil. Our investments and advancements are bearing fruit. We have also seen exhibitor growth in consumer goods trade fairs such as Paperworld, Creativeworld

and Christmasworld, and have since passed the 3,000 mark. Paperworld, which has long borne the brunt of consolidation pressure on both the supply and demand side, recorded growth again this year. The event succeeded in stabilising in a challenging market environment. With an international component of 82 percent, the world market can be said to be at home at these events. The major investments in the format and content of our Musikmesse fair has paid off, creating new confidence among customers and winning them back again in large numbers. We are keeping Musikmesse and Prolight + Sound well on track in a heterogeneous market environment. Together with the industry sector, we will make further efforts to prime the events for the future and to make full use of synergies.

We are introducing new momentum in the form of strong international business. Motocicleta Argentina is the second motorcycle fair in our portfolio, together with Motobike Istanbul. After Brazil and Colombia, Argentina is the third-largest motorcycle market in South America, having chalked up double-digit growth over the past two years. With these two events, we now have a solid basis for checking out further target markets and rolling out a new brand. The Motobike shows are an excellent addition to our Mobility & Logistics portfolio. With Beautyworld Saudi Arabia – the fifth event under the Beautyworld brand – we are giving our customers access to the largest beauty and personal care market in the Middle East, with a market volume estimated to be as high as seven billion US dollars in 2021. We are stepping up our activities in South Africa with the Cape Town International Boat Show. Our courageous decision to invest counter-cyclically in Russia in the past is now paying dividends, providing our subsidiary with the best annual result of the last ten years.

Tendence will be opening its doors again in just a few days' time. For the second half of the year, there is still no platform in Germany that is more international than Tendence. We are making very great investments in the retail sector, which is confronted with enormous changes in consumer and purchasing behaviour – but which, at the same time, sees opportunities for successfully repositioning itself in a lifestyle economy. These opportunities – and how the retail sector can make practical use of them – will be rendered tangible at Tendence, with new and well-established formats such as Tendence Impulse, Academy, Concept Store Inspirations and

Outdoor Living. Putting our weight behind the retail trade in this way is paying off. More on this in a few days' time, when the trade fair opens its doors.

Uwe Behm

After two years of work on our major construction project, Hall 12 is scheduled to join the network in September when Automechanika opens its doors to the public. When such a gigantic building complex is in place, it is all too easy to forget the immense efforts that went into its planning and construction. We are delighted to have such a capable consortium consisting of highly professional companies at our side, all of whom contributed to the ultimate success of the project. Hall 12 will further enhance our range of trade fair services at our Frankfurt base. For us as an organiser and marketer of trade fairs, having a first-class exhibition grounds creates an ideal environment for successful events – and ours is one of the best in the world. Which is why we will continue to invest in our infrastructure in years to come. With the construction measures lined up for Hall 5 and Hall 6, we can enhance the concepts underlying Group events in Frankfurt and open up new possibilities for guest events.

With some 240 guest events being held on our exhibition grounds every year, capacity utilisation is high. We play host to a great many small and large, national and international events, from concerts to sporting events, from conferences and congresses to international flagship events such as CPHI Worldwide, the international platform for the pharmaceutical industry. Guest events contribute to the success of our Frankfurt base. Every three years, the Frankfurt exhibition grounds become the international forum for chemical engineering, process engineering and biotechnology. Achema, the global flagship event for the process industry, shows the complete spectrum of what is needed in the chemical industry, pharmaceutical production and food production. Frankfurt has been home to this event for more than 80 years; many other guest events are also inextricably linked with our exhibition grounds. As well as this, there are new events such as the Franchise Expo. The world's leading provider, MFV Expositions, will be joining forces with the German Franchise Association (DFV) to hold a franchise fair in Germany for the very first time this September. The booking situation in the Locations business field is very encouraging. There is a wide mix of events in terms of size, type and complexity. Working together with city institutions such as Tourismus + Congress GmbH, the Frankfurt Convention Bureau and IHK Frankfurt, we are aiming to further raise

Frankfurt's profile worldwide as an international congress centre. Together, we have our sights set on new high-calibre events.

With Tourismus + Congress GmbH, the Frankfurt Convention Bureau and academic and scientific support from the voluntary Frankfurt congress ambassadors, we have secured two key medical congresses for our Frankfurt base:

EBMT 2019, 45th Annual Meeting of the European Society for Blood and Marrow Transplantation. The congress will be taking place on the Frankfurt exhibition grounds from 24 to 27 March 2019. Some 5,500 participants are expected.

EULAR 2020, Annual European Congress of Rheumatology, from 3 to 6 June 2020. The EULAR congress is one of the six major medical congresses in Europe. Some 15,000 participants are expected.

Key factors for the organisers in choosing our exhibition grounds as a venue for the congress were its high internationality, its accessibility for all kinds of transport and the excellent infrastructure found in our grounds and in Frankfurt in general. And, of course, the highly professional nature of our joint application and our impressive expertise in organising and overseeing international congresses.

Given its excellent performance, Messe Frankfurt's congress and conference business has further potential for growth. In 2018, Messe Frankfurt's exhibition grounds and neighbouring Kap Europa venue will be playing host to more than 150 congresses and conferences from a wide cross-section of sectors including science and medicine, banking and finance, IT and digitalisation. This includes, for example, the Sparkassen-Finanzgruppe credit institution group with a number of different events: Women & Work, Europe's largest exhibition congress for women, DB Konzerttreff get-together with 3,500 managers, and the World Bank's Innovate4Climate event. Innovate4Climate was launched at the World Climate Summit in Bonn and covers global issues such as climate financing, sustainable development and CO₂ pricing. We are delighted that our in-house trade fair construction specialists MFS Fairconstruction have been awarded the contract for designing and implementing the Marketplace exhibition area featuring some 35 stands.

A wide range of event formats and entertainment features will be held on our exhibition grounds and in the Festhalle. With its own winning personality and distinct

aura, the Festhalle offers far more than just space. The Hall of the Year award for Germany, Austria and Switzerland was presented to Festhalle as part of the Live Entertainment Award 2018, acknowledging its status as arguably Germany's most emotional multifunctional hall. The construction, comfort and high service quality were key factors influencing this decision.

The extensive interaction between people from virtually all countries on Frankfurt's exhibition grounds demonstrates that our exhibition venue is the ideal choice for all kinds of events. However, it also demonstrates that, in spite of an increasingly networked world, in spite of the many possibilities offered by digitalisation, in spite of their enthusiasm for digital diversity, people are still looking for direct and authentic experiences and interaction.

Services are central to our core business. They underline Messe Frankfurt's commitment to quality and help to bring out the best in its events. Our expectations, problem-solving expertise and intuitive understanding in direct contact with our customers are constantly increasing. This is why customised solutions throughout our range of services can be said to be USPs that our customers value greatly – both at our own Group events and at those of our guest organisers. In the past year alone, some 77,850 orders were placed through our exhibitor shop on messefrankfurt.com. There have been positive developments throughout the spectrum of products and technical services. For example, the optimised expansion of the network infrastructure on the Frankfurt exhibition grounds has led to the number of applications for premium Wi-Fi doubling – from around 1,050 in 2014 to over 2,190 in 2017.

Let us take another brief look at Formnext. Within a very short space of time, Formnext developed into a flagship event in the eyes of its industry sector. It is highly dynamic, developing in tandem with its industry sector and is firmly established in its market. When it is held for the fourth time in November, it will once again be with more exhibitors and more exhibition space than ever before. Around 420 exhibitors are already on board, compared with just 280 or so at the same stage in the previous year. This not only means that exhibitor figures are increasing by over half but also that there has been around 50 percent growth in booked space. As an international

platform, Formnext also offers an excellent way for new companies in particular to develop and to forge contacts. It is scarcely possible to think of industrial automation without calling to mind events organised by the Messe Frankfurt Group. With no fewer than five events now established in key growth regions around the world and in regions where high supply and high demand are most closely matched, our company has vast expertise at its disposal. You could even go so far as to say that Messe Frankfurt provides the stage for the music of automation. The flagship event for smart and digital automation is SPS IPC Drives, which is held in Nuremberg. This event covers the entire spectrum of industrial automation. We recently reached an agreement with Messe Nürnberg whereby SPS IPC Drives will continue to be held in Nuremberg in future. In this way, we provide our customers with the long-term planning security that they need. SPS IPC Drives Italia in Parma is going from strength to strength and is now the number two in Europe. With SIAF Guangzhou and Smart Industry Solutions India in Mumbai, we are active in two other thriving regions of the world. As of this year, SPS Automation Middle East in Dubai – a trade fair with an accompanying conference – has been added to our portfolio in the Gulf region. This is the only event in the MENA region that combines all automation aspects and application areas under one roof. The Internet of Things (IoT), Industry 4.0 and the impact of these on building and industrial automation in the countries of the Middle East will be central topics in the conference programme.

Wolfgang Marzin

One of Messe Frankfurt's strengths is the stable growth that comes from its first-class events around the globe. On this basis, we develop our company systematically, taking it to the next level. We actively embrace the changes necessitated by the dynamics of the markets. We identify digital changes in the industry sectors and adapt to them resolutely yet flexibly. As far as global networking within its corporate group is concerned, Messe Frankfurt leads the field. Our success is founded on thinking and developing in a spirit of partnership. To do so, we interact extensively with our customers – with our advisory councils at our trade fairs and, where the digital future is concerned, with our exhibitors in a cross-industry advisory board. The Digital Advisory Board helps us to learn more about the needs of our customers and to develop concrete new ideas and innovations together to bring out the best in their trade fair activities. When it comes to competing with other market players, it is all a question of who is able to make things happen.

As our cities gradually evolve into the networked “smart cities” of the future, an important role is played by intelligent building networking, security technology, increased efficiency and comfort, and the need to strike a harmonious balance between energy management and sustainability. Smartification is essentially an ongoing process that changes all areas of life, be it in the form of smart homes, smart buildings, smart living – or smart cities. Smart solutions ensure that buildings become an integral part of the Internet of Things. With a current total of 24 events being held worldwide, our Building Technology trade fair portfolio provides invaluable input for this. Prime examples of this are the two flagship events ISH and Light + Building. Since the very first event was held in Frankfurt 18 years ago, Light + Building has grown steadily, recording its most impressive performance to date this year – with 2,714 exhibitors and more than 220,000 visitors from 177 countries. And then there are new topics that will help to take Light + Building to the next level. Focusing primarily on Security meets Smart Building, the Intersec Forum – a conference for networked security technology – is an integral fixture of Light + Building and ISH. With its future trends, which cover all current aspects of networking security systems in state-of-the-art buildings, the event was once again met with a resounding response from industry and technical service providers when it was held for the third time in March of this year. The E2 Forum Frankfurt is scheduled to be launched in September. The premium innovation forum will further enhance the city’s status as a venue for showcasing intelligent building technology, providing the lift and elevator sector with vital know-how and access to key target groups in state-of-the-art building technology. According to experts, lifts are set to be one of the most important means of mobility in the future.

Messe Frankfurt’s extensive expertise and worldwide presence are essential to its appeal as a cooperation partner. Messe Frankfurt has now been active on the international trade fair scene for more than 30 years. There are 30 subsidiaries belonging to our company. We have had very good experience with counter-cyclical activities – going against the grain of trends with our investments. And this is the same approach that we are taking with regard to Brexit: Earlier this year, we set up a subsidiary in the UK, which is an attractive trade fair and export market. With a series

of acquisitions and further developments of our own, we have been very active in the central growth regions throughout the current financial year.

Messe Frankfurt has enjoyed healthy growth in recent years. We are the world's highest-grossing trade fair organiser with its own exhibition grounds. We have planned an estimated €700 million in sales for the current financial year, with profitability also on the rise. We are developing our growing event portfolio and gearing it towards the needs of our customers. We are integrating digitalisation to an even greater extent into all of our business activities. In this way, we are helping to shape a successful future for our customers and Messe Frankfurt alike. We are expanding our operating business expertise, building on our market share in services, in hardware and in digital services. We harness synergies within our steadily growing corporate group in order to become faster, more flexible and, in turn, stronger than ever. Messe Frankfurt is the world's largest publicly owned trade fair company with its own exhibition grounds. On this rock-solid foundation, we intend to go from strength to strength.