

# Annual Report 2011

<b>Introduction</b>	<b>4</b>
<b>Key figures for the Messe Berlin group and the venues in Berlin in 2011</b>	<b>7</b>
<b>Trade fair statistics 2011</b>	<b>8</b>
<b>The year's events in 2011</b>	<b>10</b>
<b>Group cash flow statement for Messe Berlin GmbH</b>	<b>31</b>
<b>Situation report 2011 for the group and Messe Berlin GmbH</b>	<b>32</b>
Group and annual financial statements 2011	46
Group balance sheet for Messe Berlin GmbH	
Group profit-and-loss statement for Messe Berlin GmbH	
Equity schedule	
Appendix 2011: Group and Messe Berlin GmbH	
Balance sheet Messe Berlin GmbH	
Profit –and-loss statement for Messe Berlin GmbH	
<b>Audit certificate</b>	<b>82</b>
<b>Corporate governance report for the financial year 2011</b>	<b>84</b>
<b>Report of the Supervisory Board 2011</b>	<b>91</b>
<b>Imprint</b>	<b>94</b>

# Introduction



Due to the cycles of the various trade fairs, there is less economic activity in the years ending in an odd number. As the year progressed, however, it became apparent that results in 2011 would exceed expectations. With a figure of approximately 182 million euros in 2011 we therefore achieved our best-ever result in a year ending in an odd number. This was 7 million euros above the projected figure

and represented a more than 16 per cent increase in turnover compared with 2009. One particularly welcome fact was that this increase was based on international involvement in these events.

In 2011 the 60 trade fairs and exhibitions, including 15 that were organised by Messe Berlin itself, attracted a total attendance in excess of 1.5 million. There were also around 500,000 trade visitors. The events at the city's venues that were organised by Messe Berlin again recorded a well above average international participation: over 66 per cent of the 25,500 exhibitors came from abroad,

We are expecting 2012 to be another record year, based on the fact that very good booking levels have already been reported for our leading international trade fairs. We expect to achieve our projected target of a turnover of 230 million euros. One contributing factor has been that Messe Berlin has initiated several new developments at the capital's fair and convention venues in 2011. Construction work has begun on the new ILA site "ExpoCenter Airport", immediately adjacent to the capital's future main airport BER Berlin Brandenburg International, and it will come into operation with the ILA Berlin Air Show in September 2012. At the same time we are carrying out extensions to our Exhibition Grounds at the Funkturm (Radio Tower) with an exhibition hall next to the Main South Entrance, to be known as "City Cube Berlin", which will be fully equipped to host conventions.

We are expecting the foundation stone for the CityCube Berlin to be laid in mid-2012, with completion planned for the end of December 2013. Following the closure of the ICC Berlin it will also be available for conventions. This means that international conventions of an ack-

nnowledged, worldwide quality can continue to be staged while the ICC Berlin is being renovated.

Our companies make a substantial contribution to the thriving economy of the city of Berlin and of the surrounding region. Last year the events staged by Messe Berlin generated additional purchasing power with a value of some 1.8 billion euros. As a result our companies help to safeguard employment for over 20,000 people in Berlin and Brandenburg.

The following Business Report for 2011 gives an indication of the strengths and capabilities or our group of companies.

We wish to thank everyone whose confidence and constructive cooperation has helped to ensure the success of our company last year. But above all we thank our employees for the extraordinary commitment that they have shown. Whether in everyday business activities or in the planning of our two future venues, our staff have made a decisive contribution to our ability to deal with the challenges facing us over the past year, and to the fact that we are so well equipped to meet future challenges.

We must never lose sight of what defines the nature and character of our business: the management of trade fairs and congresses is very specifically a "people business". Our success is based on our good relations with the responsible persons on the individual markets where we are active.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Raimund Hosch".

Raimund Hosch  
CEO

A handwritten signature in blue ink, appearing to read "Dr. Christian Göke".

Dr. Christian Göke  
COO

# Key figures for the Messe Berlin group and the trade fair venues in Berlin 2011

Trade fairs	2011
Overall area in m <sup>2</sup>	1,960,770
Number of trade fairs and exhibitions	94
Number of exhibiting companies	30,796
Number of visitors/participants	1,980,330

Congresses	2011
Number of congress events	438
Total of congress participants <i>of which out-of-town</i>	approx. 161,350
<i>congress participants</i>	<i>approx. 74%</i>

Finances (in mi. €)	2011
Turnover (group)	182.1
Turnover by Messe Berlin GmbH	128.2
Annual profits of the group	1.04
Annual profits of Messe Berlin GmbH	0
Pre-tax earnings, trade fairs and congresses	53.7
PTE facility management/ Exhibition Grounds	-52.2

Personnel *	2011
Employees of the group <i>of which</i>	721
<i>trainees</i>	33
Employees of Messe Berlin GmbH <i>of which</i>	375
<i>trainees</i>	20

\* annual averages

# Trade fair statistics 2011

Events	Organiser	Dates 2011	Sq. metres overall *	Exhibiting companies *	Visitors/ participants *
International Green Week Berlin	Messe Berlin GmbH	21.01. – 30.01.	115,000	1,630	415,000
FRUIT LOGISTICA	Messe Berlin GmbH	09.02. – 11.02.	98,900	2,450	56,000
FRESHCONEX	Messe Berlin GmbH	09.02. – 11.02.	3,570	100	11,000
ITB Berlin	Messe Berlin GmbH	09.03. – 13.03.	160,000	11,170	170,800
conhIT	Messe Berlin GmbH	05.04. – 07.04.	12,000	240	4,500
WASSER BERLIN INTERNATIONAL	Messe Berlin GmbH	02.05. – 05.05.	49,000	700	28,000
IT Profits	Messe Berlin GmbH	11.05. – 12.05.	1,130	200	3,000
LinuxTag	Messe Berlin GmbH	11.05. – 14.05.	2,800	120	11,600
IFA	Messe Berlin GmbH	02.09. – 07.09.	160,000	1,440	238,000
Popkomm	Popkomm GmbH	07.09. – 09.09.	35,000	400	5,200
CMS Cleaning.Management.Services.	Messe Berlin GmbH	20.09. – 23.09.	24,700	360	15,500
YOU	Messe Berlin GmbH	23.09. – 25.09.	40,000	280	140,000
IMPORT SHOP BERLIN	Messe Berlin GmbH	09.11. – 13.11.	18,890	550	40,000
Boot und Fun Berlin	Messewelten GmbH	18.11. – 27.11.	44,800	650	79,400
HIPPOLOGICA BERLIN	Messe Berlin GmbH	08.12. – 11.12.	20,000	180	21,600
15 events from the Messe Berlin group at its venues in Berlin			785,790	20,470	1,239,600
45 Guest events at venues in Berlin			537,390	5,030	289,000
60 events at venues in Berlin			1,323,180	25,500	1,528,600
ASIA FRUIT LOGISTICA, Hongkong	Global Produce Events GmbH	07.09. – 09.09.	11,030	330	5,300
MeLa – Trade Exhibition for Agriculture and Food, Fisheries, Forestry, Hunting and Horticulture, Mühlengenez	Messe- und Ausstellungszentrum Mühlengenez GmbH	15.09. – 18.09.	170,000	1,000	64,800
ITB Asia, Singapur	Messe Berlin (Singapore) Pte. Ltd.	21.10. – 23.10.	10,600	750	7,510
31 additional Messe Berlin group events at other locations	E.G.E. European Green Exhibitions GmbH, MAZ GmbH		445,960	3,216	374,120
94 events of the Messe Berlin group and at venues in Berlin			1,960,770	30,796	1,980,330

\* partially rounded off

# The year's events in 2011

## Events of the Messe Berlin group

With a turnover of some 182 million euros in 2011 the Messe Berlin group achieved its best figures ever in an odd-numbered year, when fewer events are scheduled. Turnover increased by over 16 per cent in comparison with 2009.

The highlights of 2011 included the ground-breaking ceremony for a second exhibition venue at the new Berlin main airport and the start of the construction of a two-storey exhibition hall, City Cube Berlin, suitable for meeting every kind of convention requirement, on the site of the former Deutschlandhalle.

With its wide-ranging portfolio of activities comprising leading international trade shows, success overseas in Southeast Asia, and a flourishing convention business, Messe Berlin is already in a strong and stable market position.

With the International Green Week Berlin and ITB Berlin (The World's Leading Travel Trade Show), IFA CONSUMER ELECTRONICS UNLIMITED, FRUIT LOGISTICA (International Trade Fair for Fruit and Vegetable Marketing) and WASSER BERLIN (International Trade Fair + Congress Water and Wastewater), Messe Berlin staged five leading international trade shows in their respective fields in the capital.

The 60 trade fairs and exhibitions, including 15 that were organised in-house, attracted a total attendance in excess of 1.5 million in 2011, including some 500,000 trade visitors. The events at the city's venues that were organised by Messe Berlin again recorded a well above-average international participation: over 66 per cent of the 25,500 exhibitors came from abroad.

The company again organised ITB Asia and Asia Fruit Logistica, two expanding international trade shows in Southeast Asia.

## Guest events

The Guest Events division is available to assist event organisers at every stage of the process, offering its customers a comprehensive events service, technical support and advice about planning their event concept. Organisers can rely on the Guest Events team to act as the point of contact for all processes taking place on the Exhibition Grounds, from identifying suitable dates to the final dismantling work.

Messe Berlin was responsible for staging a total of 45 guest events.

5,030 exhibitors (2010: 4,500 exhibitors) presented their products and services to over 289,000 visitors (in 2010 attendance totalled 226,000). With a rented display area of 537,390 m<sup>2</sup>, compared with 388,000 m<sup>2</sup> in the previous year, the Guest Events Division enjoyed a very successful year in 2011.

One of the particular highlights of 2011 was the World Route Development Forum in October, with an exceptionally high attendance by trade visitors of 2,700. There was also a possibly record-breaking attendance by more than 28,000 young people from all over Europe at the 34th European Youth Meeting of Communauté de Taizé from 28 December 2011 to 1 January 2012. Three events were celebrating a decade of success in Berlin: EINSTIEG ABI, COSMETICA and Boot und Fun Berlin.

In addition to business links going back many years, some noteworthy marketing successes were also reported. IFRA 2013 will be taking place on the Berlin Exhibition Grounds for the first time. As well as euroID, the Guest Event team acquired another event, Hospital Build Europe, for the Exhibition Grounds in 2012. The EAS Euro Attraction Show, the Ecological Fair and the Asia Apparel Expo Berlin have also been added to the portfolio of foreign events for 2012.

In 2011 the Guest Events team began preparations for the new venue "Berlin Expo Center Airport", located directly adjacent to the future main airport for the capital, BER, and completed at the end of May 2012.

The Congress Division of Messe Berlin recorded a successful year's business activities in 2011. The International Congress Center Berlin (ICC Berlin), Palais am Funkturm and the exhibition halls hosted a total of 438 meetings and entertainment events with an attendance of some 161,350. At almost 74 per cent, the proportion of out-of-town attendees among the overall total of some 146,000 was exceptionally high.

## Congresses

The following events were among the outstanding highlights from the calendar of congresses in 2011: the International Liver Congress 2011 with some 8,000 specialists, the IFCC WorldLab Berlin 2011 with approximately 4,000 participants, the International Congress on ADHD with an attendance of 2,000, the Capital Congress on Medicine and Health, attracting some 8,000 experts, the European Biomass Conference and Exhibition with 1,500 industry representatives, the Capital Congress for Anaesthetics and Intensive Therapy with around 3,000 anaesthetists, the European Congress of Chemical Engineering with some

2,000 industry representatives, the Annual Congress of the European Society of Intensive Care Medicine with some 3,200 Intensive care specialists, the 31st Congress of the Société Internationale d'Urologie with around 4,500 participants, the German Congress for Orthopaedics Accident Surgery 2011 with an attendance of some 11,000, the DDG Autumn Conference and the World Diabetes Meeting 2011 with some 2,000 participants, the Congress of the German Society for Psychiatry, Psychotherapy and Neurology with over 7,000 participants and the German Congress for Perinatal Medicine with 2,000 participants. The General Meetings of Daimler AG and of Lufthansa AG as well as the Employees' Meetings of Commerzbank AG and Berliner Bank AG were other outstanding events taking place in 2011.

The Congress Division also added to its portfolio of events with the inclusion of the Google Developer Conference, which relocated from Munich to Berlin.

As a further technical refinement, in 2011 the ICC Berlin became the first German convention centre to offer a free wi-fi zone in all its foyers.



[www.greenweek.com](http://www.greenweek.com)



**International  
Green Week Berlin –  
exhibition for the food  
industry, agriculture and  
horticulture  
21.01.–30.01.2011**

The International Green Week Berlin 2011 recorded a substantial increase in attendance. From 21 to 30 January 2011 over 415,000 visitors were recorded in the exhibition halls at Berlin's Funkturm (Radio Tower). At 110 euros the per capita expenditure by consumers was higher than at the previous year's event, bringing exhibitors sales in excess of 45 million euros. Once again more than 100,000 trade visitors were registered during the course of the fair, and among their reasons for attending were to exchange information at the 300 accompanying conferences and seminars. With the "Global Forum for Food and Agriculture", which included discussions by some 50 ministers of agriculture and 500 board members and senior executives of companies agriculture and the food industry, the Green Week once again demonstrated its standing as the world's leading event for agricultural policy-makers. With 1,630 exhibitors and a display area measuring 115,000 square metres, the world's largest consumer show for agriculture, food and horticulture matched the record levels of previous years.

Visits to the Green Week were made by some 200 leading politicians and their delegations from Germany and abroad. The presence of some 5,000 media representatives from 73 countries ensured worldwide coverage. In addition to increased visitor numbers some 10,000 people, including exhibitors and stand personnel, service staff and media representatives, were in the exhibition halls each day.



**FRUIT LOGISTICA –  
International Trade Fair  
for Fruit and Vegetable  
Marketing  
09.02.–11.02.2011**



[www.fruitlogistica.com](http://www.fruitlogistica.com)

With the presence of all the important decision-makers in this field, record-breaking numbers of visitors and exhibitors, and deals worth billions of euros, the FRUIT LOGISTICA 2011 again underlined its role as the world's leading trade fair for the fruit and vegetable sector. Over 56,000 trade visitors from 132 countries came to obtain information at the pre-eminent trade fair for the international fruit and vegetable sector. The outstanding quality criteria of FRUIT LOGISTICA 2011 were the international dimension of the trade fair, a display providing a global overview of the market, and the presence of so many high-ranking decision-makers. In their statements the exhibitors and trade visitors were unanimous in praising the excellent contacts with retailers and wholesalers, with fruit and vegetable producers and with importers and exporters. Although the signing of contracts is not the primary purpose of attending this trade fair, nevertheless exhibitors were able to finalise contracts and business agreements with a value of several billion euros.

More than 2,450 exhibitors from 84 countries presented details about the complex logistics that ensure that consumers, wherever they may be, can obtain fresh fruit and produce of the finest quality throughout the year. Foreign exhibitors account for around 90 per cent of the total. Over 1,000 media representatives from 50 countries were accredited at the leading event for the fresh fruit and vegetable trade in Berlin.



**FRESHCONEX –  
INTERNATIONAL TRADE  
FAIR FOR FRESH PRODUCE  
CONVENIENCE  
09.02.–11.02.2011**

[www.freshconex.com](http://www.freshconex.com)

Taking place for the fourth time, FRESHCONEX recorded a substantial increase in the number of trade visitors. Over 11,000 industry experts from every continent attended from 9 to 11 February 2011 to obtain a concentrated overview of the products and services available from some 100 exhibitors from 18 countries. The trade visitor total represented a 57 per cent increase, and the many countries from which they came, together with the fact that they included so many high-ranking decision-makers, were among the outstanding features of Europe's only trade fair for the fruit and vegetable products that are setting the trend in the sector of fresh convenience foods.

During the three-day trade fair the Business Forum at FRESHCONEX provided a compact source of information about current trends in this highly sensitive food category. The FRESHCONEX Business Forum was organised by Fresh Convenience Magazine (GB) and the United Fresh Produce Association (USA).





ITB Berlin – The World's  
Leading Travel Trade Show  
09.03.–13.03.2011



[www.itb-berlin.com](http://www.itb-berlin.com)

By the time the 45th ITB Berlin concluded it had recorded a significant rise in the number of buyers from abroad and more exhibitors than ever before. Despite coinciding with a rail strike, the number of trade visitors attending the leading international trade fair for the travel industry remained stable at the previous year's level. The good business results achieved during the fair have given an additional boost to the tourism sector.

The two leading conferences at ministerial level ensured that international participation and diplomats were strongly represented at the 45th ITB Berlin. The "UNWTO Silk Road Ministers' Summit" did much to encourage sustainable tourism in this region of Central Asia. The first "Ministers' Summit on Climate Change in Asia-Pacific" was held during the "ITB CSR Day".

From 9 to 13 March 2011 the 11,170 exhibiting companies from 188 countries presented the full range offered by the international travel industry. With its presentations and seminars the newly created forum "eTravel World" attracted several thousand interested participants and was a resounding success.

At 110,800 the number of trade visitors remained steady while the ITB Berlin Convention, with a total attendance of 14,000, expanded by 15 per cent compared with the previous year. Despite the onset of spring, accompanied by bright sunshine, large numbers of people from Berlin and Brandenburg came to the exhibition halls. Some 60,000 members of the general public took this opportunity to obtain first hand information about destinations in 188 countries. Total attendance at ITB 2011 was 170,800.



conhIT – Connecting  
Healthcare IT  
05.04.–07.04.2011

[www.conhit.com](http://www.conhit.com)

The healthcare IT sector met for the fourth time at conhIT in Berlin. From 5 to 7 April a total of 240 exhibitors attended this combination of industrial fair, congress, academy and networking to present new IT solutions for clinics and doctors in general practice, along with new forms of care. Compared with the first conhIT, which took place in 2008, their numbers increased by 67 per cent.

In 2011 the Netherlands, with a combined stand and 15 exhibitors, acted as the first partner country at this event.

In 2011 the slogan of conhIT was: "IT in healthcare – safe, networked and cost-efficient". Once again the Federal Minister of Health Dr. Philipp Rösler acted as the patron of conhIT.

Europe's largest and most important industrial fair devoted to a specific theme was attended by 4,500 trade visitors (approx. 30 % more than in the previous year) and occupied an area of 12,000 square metres. Among the items displayed by the exhibitors were software for hospitals, rehabilitation clinics and care homes, IT solutions for medical practices, laboratories and radiologists, as well as medical technology and telemedicine.



[www.wasser-berlin.com](http://www.wasser-berlin.com)

From 2 to 5 May 2011 some 28,000 trade visitors from all over the world came to the Berlin Exhibition Grounds to inspect the latest products and services for the international water sector that were being displayed by 700 exhibitors from 35 countries on an area of 49,000 square metres. Among the main features of WASSER BERLIN INTERNATIONAL 2011 were the substantially increased international contingent among the trade visitors and the exhibitors.

Now being held over a four- instead of a five-day period, and annually instead of every two years, Europe's only specialist water fair attracted high attendances. The proportion of foreign trade visitors rose from 25 to 33 per cent.



[www.itprofits.com](http://www.itprofits.com)

The innovative business event for the digital world – IT-Profits – was held on 11 and 12 May 2011 on the Berlin Exhibition Grounds, and was taking place for the seventh time. The Forum for IT, Mobile and Web Services was the opening event for the Berlin Web Week.

Topics such as web-based applications, cloud services and mobile solutions formed the centrepiece of IT-Profits 2011, and as in previous years, the emphasis was on an intensive person-to-person dialogue between participants and visitors.

Making its German debut was the CLOUD AWARD 2011 – the nation's first public award for SaaS offers in the cloud. IT-Profits, together with T-Systems Multimedia Solutions, presented the awards for the best cloud applications.

Some 200 providers of solutions for IT, the web and mobile business were represented at this two-day business event in order to supply information about the latest trends and products in these fields. In total around 3,000 people attended this event on the Berlin Exhibition Grounds.

IT-Profits is aimed at all sectors and business divisions: marketing, sales, IT and management.



LinuxTag –  
International  
Meeting Place for the  
Open Source Software  
11.05.–14.05.2011



[www.linuxtag.org](http://www.linuxtag.org)

LinuxTag, Europe's leading trade fair and conference on all aspects of Open Source, Linux and free software, was held from 11 to 14 May 2011. The largest meeting of its kind for this industry attracted 11,600 visitors to the Berlin Exhibition Grounds. They came to obtain information about Linux and Open Source and in particular to meet with one another.

In addition to the programme of free lectures and the Business and Administration Congress, aimed specifically at the representatives of companies and public institutions, LinuxTag regularly features an exhibition featuring projects and companies from the Open Source sector. The 120 exhibitors and numerous speakers, including major keynote speakers, presented their solutions and ideas in a total of more than 260 events.

The four-day event for professional users, decision-makers, developers and the community has been taking place since 1996. LinuxTag has been held annually on the Berlin Exhibition Grounds since 2007 and in recent years has evolved into the pre-eminent meeting place for all aspects of Linux and Open Source in Europe.



[www.ifa-berlin.com](http://www.ifa-berlin.com)



IFA 2011 – CONSUMER  
ELECTRONICS UNLIMITED  
02.09.–07.09.2011

Representatives of the trade, and consumers too, showed an extremely positive response to the record number of products making their debut at IFA 2011. With an order volume in excess of 3.7 billion euros, an attendance of some 238,000 and 1,440 exhibitors the world's largest and most important trade show for consumer electronics and household appliances came to an end on 7 September 2011 in Berlin.

The vast number of innovations and product presentations had a positive impact on the markets during the run-in to the Christmas sales season. In 2011 the IFA continued to emphasise its role as the world's most important and largest consumer electronics trade show for the placing and taking of orders, and for the general public too. All the leading trading companies agree that IFA is the best time to introduce new products because over 45 per cent of the entire year's sales of consumer electronics products are conducted at IFA.

Once again in 2011 there was very keen international media interest, with major TV networks such as ARD, n-tv, N24 and the International Broadcast Center represented by their news pools at IFA. Many international networks presented their coverage from the International Broadcast Center in Hall 6.2, including Al-Jazeera-TV, AP Agentur, Bloomberg, BFM (France), BTV (China), CCTV (China), CETV(China), CNBC/ NBC, I Tele (France), Israeli TV, EBU (Switzerland), Servus TV (Austria) and TF1(France).



**Popkomm –  
The International  
Music Business Market  
07.09.–09.09.2011**



[www.popkomm.com](http://www.popkomm.com)

For the second time Popkomm took place as part of the Berlin Music Week. The international meeting place in Germany for the music and entertainment industry provided clear evidence that the music industry is currently in a state of transition. Consequently the emphasis was on the increasing links between all those involved in the music industry and digital business.

As a platform for the music and entertainment industry Popkomm has also shown that this transition means that industry representatives have an even greater need for information and opportunities for personal meetings.

A restructuring of the Popkomm concept is currently under consideration, with the result that the fair will not be taking place as part of the Berlin Music Week in 2012.



[www.asiafruitlogistica.com](http://www.asiafruitlogistica.com)



**ASIA FRUIT LOGISTICA  
HongKong – International  
Trade Fair for Fruit and  
Vegetable Marketing in Asia  
07.09.–09.2011**

The importance of ASIA FRUIT LOGISTICA 2011 for the fresh produce trade was underlined by the substantial increase by almost one third in the number of trade visitors compared with the previous year's event. More than 5,300 prominent trade visitors from 63 countries, representing the entire value added chain for the fresh fruit and vegetable sector, came in search of information about the products and services provided by the 330 exhibitors from 33 countries. This three-day event took place from 7 to 9 September 2011 at the Hong Kong Convention and Exhibitor Centre (HKCEC).

The dynamic growth of the fresh fruit and vegetable market in Asia was one of the main themes at the accompanying Asiafruit Congress, attended by 576 delegates from 36 countries. The three-day conference was organised by Asiafruit Magazine. From 5 to 7 September 2012 the ASIA FRUIT LOGISTICA will be taking place at the "AsiaWorld Expo", the ultra-modern exhibition centre located close to "Hong Kong International Airport".



**MeLa – Exhibition for  
Agriculture and Food,  
Fisheries, Forests,  
Hunting and Horticulture  
in Mühlengiez  
15.09.–18.09.2011**



[www.mela-messe.de](http://www.mela-messe.de)

The Exhibition for Agriculture and Food, Fisheries, Forests, Hunting and Horticulture took place from 15 to 18 September 2011 in Mühlengiez. After previous successes this fair this event is continuing its positive development. With just under 1,000 exhibitors MeLa set a new record in 2011. In total around 64,800 people attended, with a best-ever day's attendance on Saturday, 17 September 2011. Visitors and exhibitors were positive in their assessments and were very satisfied both with the on-site organisation and with the wide-ranging scope of this trade fair.

Another positive feature: in its 21st year of existence northern Germany's largest agricultural and consumer show was more diverse than ever. More different breeds of animals were on show in 2011 than ever before.



[www.cms-berlin.com](http://www.cms-berlin.com)



**CMS – Cleaning.  
Management.Services.  
20.09.–23.09.2011**

More trade visitors from home and abroad, extremely satisfied exhibitors and an opportunity for making a reliable assessment of the future situation in the industry were the main features of CMS 2011 Berlin - Cleaning.Management.Services. From 20 to 23 September 2011 a total of 360 exhibitors from 20 countries presented a complete overview of the products, systems and processes covering the entire range of cleaning technology and chemicals. Some 15,500 trade visitors from more than 60 countries spent four days learning about the industry's latest innovations.

There was a more than eight per cent increase in the number of trade visitors compared with the CMS 2009. Exhibitors and trade visitors agreed that the industry representatives who were present represented a high level of decision-making competence, and responded positively to the complete range of innovations on show at the International Trade Fair for Cleaning Systems, Building Management and Services on a 24,700 display area in the halls and on the open air grounds.

With its wide range of innovations the industry demonstrated how well equipped it is to meet the challenges of the market. Factors such as sustainability from an ecological, economic and social aspect as well as good design are evidently playing an increasing role in providing a competitive advantage.



**YOU – Europe’s leading  
Youth Fair  
music – sports – lifestyle  
– education  
20.09.–25.09.2011**



[www.you.de](http://www.you.de)

Under the slogan “Take part, hands on, try it” just under 140,000 people attended YOU 2011 from 23 to 25 September to experience the coolest bands and the latest trends live, to plan their futures and discover new types of sport. Classes from some 300 schools in Berlin and Brandenburg visited Europe’s largest youth fair. Over a three-day period the 280 exhibitors presented the most varied display yet on an area of 40,000 square metres at YOU.

The main attractions were the presence of many stars from the worlds of music and sport, and a Vocational Training Day.

The organisers, the Chamber of Industry and Commerce (IHK Berlin) and the Berlin Chamber of Trades, again described the 2011 “Vocational Training Day” as a major success.



[www.itb-asia.com](http://www.itb-asia.com)



**ITB Asia,  
Singapur –  
The Trade Show for  
the Asian Travel Market  
21.10.–23.10.2011**

The third ITB Asia attracted an attendance in excess of 6,600, a 7.4 per cent increase over the previous year. In addition to the many, diverse experts’ forums, Messe Berlin (Singapore) described outbound demand in Asia and the enhanced quality among the 580 invited buyers as the main factors behind the expansion of this event. A total of 720 exhibitors from 60 countries were represented on the Suntec exhibition grounds in Singapore. Egypt was the first partner country to make use of ITB Asia to launch its intensified commercial activities on the Asian travel market.

ITB Asia 2010 was a dynamic event and, with its experts’ forums, on the final day many exhibitors were encouraged to make their reservations for next year. Web in Travel (WIT), the conference element of ITB Asia, adopted a new format: approximately 400 participants in ITB Asia attended the two WIT Clinics in order to obtain advice from IT experts from the travel industry on how to benefit financially from their websites and how to make more effective use of social media.



IMPORT SHOP BERLIN –  
A WORLD FULL OF BEAUTY  
09. 11. –13 11. 2011



[www.importshop-berlin.com](http://www.importshop-berlin.com)

The 50th Import Shop Berlin again achieved positive results, attracting some 40,000 visitors to this exotic shopping opportunity on the Berlin Exhibition Grounds. A total of 550 exhibitors from 58 countries displayed their products at this fair.

The presentation by Morocco, the partner country, played an important part in the success of the 50th Import Shop Berlin. The results of polls reveal that, in all its main features, this trade fair maintained the high levels attained in the previous year.



[www.bootundfun.de](http://www.bootundfun.de)



Boat and Fun Berlin 2011  
18. 11. –27. 11. 2011

Marking a significant anniversary, the 10th Boot und Fun Berlin took as its slogan “10 years, 10 days, 10 themes”, providing a comprehensive range of water sports and water tourism attractions.

Boot und Fun Berlin attracted 20 per cent more visitors. The latest edition of Germany’s largest boat fairs thereby demonstrated the continuing interest being shown by water sports enthusiasts in the Berlin / Brandenburg region.. Some 79,400 people came to see the displays by 650 boatyards and yacht dealers as well as by manufacturers and suppliers of equipment, accessories and services for all aspects of water sports. There was a particularly good response to the themes “E-Boat Salon” and “Houseboats and Pontoon Boats”.



[www.hippologica.de](http://www.hippologica.de)

HIPPOLOGICA Berlin 2011 attracted 16 per cent more visitors than its predecessor last year. With its varied and outstanding programme of sporting competitions, breeders' presentations, an exhibition and specialist lectures, this equestrian sports fair provided its 21,600 visitors with the perfect combination of events dealing with horses, equestrian health and sport. Compared with the previous year, there was a greater emphasis on the latter aspect, to the benefit of the event as a whole, according to all those involved.

Over 100 active riders and 15 breeds of horses were represented on the 20,000 square metre site at this international equestrian sports fair, which also featured product displays by 181 exhibitors.

In association with the regional equestrian association Landesverband Pferdesport Berlin-Brandenburg e.V. (LPBB), this equestrian trade fair in the German capital, which was held at the hippodrome in Hall 25, also featured sporting highlights in a number of disciplines.

## Statement of changes in financial position Messe Berlin GmbH

	2011 TEUR	2010 TEUR
Net earnings for the period (including minority shareholders' share of earnings) before extraordinary items	1,037	6,306
Write-downs on capital asset items	5,988	11,502
Decrease (prev. yr. increase) in reserves	- 2,470	8,357
Other income not affecting balance sheet	- 289	- 289
Losses from disposal of capital asset items	158	319
Increase in stocks, claims and other assets that are not classified as investment or financing activities	- 1,793	- 8,350
Decrease (prev. yr. increase) in payables and other liabilities which are not classified as investment or financing activities	- 4,575	12,656
<b>Cash flow from current business activity</b>	<b>- 1,944</b>	<b>30,501</b>
Payments-in from disposal of capital assets	4	430
Payments-out for investments in capital assets	- 23,030	- 5,634
Payments-out for investments in intangible assets	- 1,930	- 1,029
Payments-out for investments in financial assets	- 1,225	- 55
Payments-in from sale of shares in consolidated companies less liquid funds	0	1,079
Payments-out for acquisition of consolidated companies less liquid funds	- 492	- 504
<b>Cash flow from investment activity</b>	<b>- 26,673</b>	<b>- 5,713</b>
Payments-in from raising financial credit	16,500	0
Amounts paid out to redeem financial credit	- 428	0
<b>Cash flow from financing activity</b>	<b>16,072</b>	<b>0</b>
Change in financial resources	- 12,545	24,788
Change in financial resources due to consolidation	3	129
Financial resources at the start of the period	80,261	55,344
<b>Financial resources at the end of the period</b>	<b>67,719</b>	<b>80,261</b>



# Situation Report 2011

## Group and Messe Berlin GmbH

### Preliminary remarks

Messe Berlin – the company

### Background economic conditions

German trade fair market has stabilised

### Business progress

General assessment of the development of the business and profits 2011

Exhibition site at Selchow

Laying of the foundation stone for a new congress hall suitable for trade fair use

Acquisition of a 51% stake in FVF Messe-Event AG

### Situation of the company and the group

Operating results of Messe Berlin GmbH and the group

Events organised in-house

Congresses

Guest events

Subsidiary companies

Events abroad

Service companies

Expenditure on the Berlin Exhibition Grounds

Special factors affecting the profits situation

Financial and assets situation

Outside financing

Development of cash flow

### Risk management

Risk policy

Advanced risk management system

### Future prospects, opportunities and risks associated with future expansion

Expected economic environment

Risk areas

The group's strategic and organisational focus

Planning basis

Expected development of business and earnings

Expected financial and assets situation

### Messe Berlin – the company

The core business of Messe Berlin consists of organising trade fairs and congresses at venues in Berlin. The Exhibition Grounds at the Funkturm cover an overall area of some 160,000 square metres; this also includes the International Congress Center Berlin (ICC Berlin). The site is leased from the main shareholder in Messe Berlin GmbH, the Land Berlin.

The Messe Berlin portfolio includes 30 of its own events which it stages at venues in Berlin and which are distinguished by the diversity of business sectors that they represent, and the high proportion of foreign exhibitors and visitors. Seven of its own events are leading international trade shows. The range offered at the Exhibition Grounds at the Funkturm is supplemented by some 50 guest events. The ICC Berlin, Europe's largest congress centre, hosts many outstanding international congresses and in recent years and has been systematically developed by the Messe Berlin team into a market leader for major medical congresses. Apart from the activities at the various venues in Berlin, a wide range of congresses, trade fairs and regional consumer fairs are organised both nationally and internationally through subsidiaries and joint ventures.

Other subsidiaries provide services for exhibitors and visitors, for example in such areas as stand construction, catering and facility management.

All these operations are supported by a network of 72 local representatives in 130 countries.

### German trade fair market has stabilised

Following a number of difficult years in the wake of the worldwide economic and financial crisis, trade fairs in Germany are now experiencing moderate growth. This has been confirmed by AUMA Exhibition and Trade Fair Committee of German Industry at its annual press conference. In 2010 the industry helped to boost the German economy. The vigorous growth of numerous sectors of industry, in an international comparison, has also had a positive impact on Germany's trade fairs.

According to provisional figures released by AUMA, in 2011 a total of some 159,000 exhibitors were recorded at the 135 nationwide trade fairs. This is 3% more than at the previous, comparable events.

The number of foreign participants has risen by an above-average 4%, while domestic participation has increase at a lower rate, by just 1%.

### Preliminary remarks

### Background economic conditions

With a total of some 6.1 mi. square metres the rented area – a key figure in assessing the turnover by trade fair companies – has increased by 2% compared with the preceding events, after having declined in 2010 by 3% over the previous year. In the medium term AUMA is not expecting any further increase in the rented area.

In 2011 the decline in the number of visitors recorded in 2010 (minus 1%) and 2009 (minus 8%) was partially offset by a 4% rise.

#### **General assessment of the development of business and profits 2011**

With a turnover of EUR 182.1 mi. in 2011 the Messe Berlin group achieved its best-ever figures in a year with a lower volume of activity, due to the fact that there are fewer events scheduled in odd-numbered years. The last comparable year was 2009, and last year's turnover and profits showed a substantial increase over that year. This is predominantly a result of the stable development of the company's own events, and of guest events, following successful marketing efforts in 2010, especially in the congress sector, and thus underlines the extraordinarily good volume of trading by the Messe Berlin group in the business year 2011.

The 60 trade fairs and exhibitions that took place in 2011, including 15 that were organised in-house, attracted a total attendance in excess of 1.5 mi. The companies own events at venues in Berlin again recorded international attendance figures that were well above the average: over 66 per cent of the 25,500 exhibitors came from abroad, Messe Berlin's events last year provided the capital and the surrounding region with an influx in purchasing power of some two billion euros as a result of expenditure by out-of-town visitors to trade shows and conventions. In this way the Berlin trade fair company safeguarded over 20,000 jobs in the Berlin/Brandenburg region.

#### **Exhibition site at Selchow**

In 2011 work began on a new exhibition site, the Berlin ExpoCenter Airport, directly adjoining the future main Berlin/Brandenburg airport. In addition to the work of developing this site by Messeimmobilien Selchow GmbH, Messe Berlin GmbH has also begun constructing permanent exhibition halls there, due for completion by the end of May 2012. The first event to take place there will be the ILA in September 2012.

#### **Laying of the foundation stone for a new congress hall suitable for trade fair use**

Messe Berlin is expanding its existing hall area and will be constructing a new congress hall, suitable for trade fairs too, on the site of the Deutschlandhalle, adjoining the Main South

Entrance. As a precursor to this development the Deutschlandhalle was demolished in 2011. The laying of the foundation stone for the new hall was scheduled for May 2012. When the ICC Berlin shuts down in 2014 the congresses that it previously hosted will be held in the new hall, which is being constructed primarily for this purpose. In this way Messe Berlin can guarantee that international conventions of an acknowledged, worldwide quality can continue to be staged while the ICC Berlin is being renovated.

#### **Acquisition of a 51% stake in FVF Messe-Event AG**

With effect from 23.09.2011 the Messe Berlin subsidiary, MW Messe-, Ausstellungs- und Dienstleistungsgesellschaft Wolfsburg mbH, acquired a 51% stake in FVF Messe-Event AG (FVF). Initially the new company will stage two fairs for the general public, "Thurgauer Frühjahrsmesse" and "Schaffhauser Herbstmesse" in Switzerland.

#### **Profits situation of Messe Berlin GmbH and of the group**

The sales targets for the past business year have been comfortably met. The group turnover of EUR 182.1 mi. was EUR 7.1 mi. above the target figure of EUR 175.0 mi. In accordance with the scheduled cycle of events there was a 16.2% fall in turnover. Expenditure on materials declined by roughly the same proportion, by 15%. The increase of EUR 5.8 mi. in personnel costs is largely attributable to the consolidation of Capital Facility GmbH & Co. KG during the course of 2010. Annual results for the business year, following the deduction of tax on earnings, were approx. EUR 0.4 mi.

Compared with 2009, which provides a more accurate comparison than the previous year, due to the scheduled cycle of events, in the year under review group turnover increased significantly, by 15.6%.

## **Business progress**

## **Situation of the company and the group**

Messe Berlin Group	2011	2010	Changes compared with previous year	
	mi. €	mi. €	mi. €	%
Turnover proceeds	182.1	217.4	-35.3	-16.2
Change in inventory of incomplete services	-0.1	-0.2	0.1	-50.0
Other operating income	6.2	6.9	-0.7	-10.1
Material costs	-115.3	-137.0	21.7	-15.8
Personnel costs	-45.0	-39.2	-5.8	14.8
Other operating costs	-19.2	-29.0	9.8	-33.8
Income from investments	0	1.8	-1.8	-100
<b>EBITDA</b>	<b>8.7</b>	<b>20.7</b>	<b>-12.0</b>	<b>-58.0</b>
Depreciation on capital assets	-6.0	-11.5	5.5	-47.8
Interest results	-0.5	-0.4	-0.1	25.0
Extraordinary results	0	-1.0	1.0	-100.0
Taxes	-1.1	-2.5	1.4	-56.0
Share in profit and loss of minority shareholders	-0.7	-0.5	-0.2	40.0
<b>Annual results</b>	<b>0.4</b>	<b>4.8</b>	<b>-4.4</b>	<b>-91.7</b>
EBITDA as % of turnover	4.8%	9.5%		

The main generator of revenue within the group is the parent company, Messe Berlin GmbH  
Messe Berlin GmbH, which accounts for some 70% of the group turnover.

Messe Berlin GmbH	2011	2010	Changes compared with previous year	
	mi. €	mi. €	mio. €	%
Turnover proceeds	128.2	168.3	-40.1	-23.8
Other operating income	7.2	7.4	-0.2	-2.7
Material costs	-91.3	-114.4	23.1	-20.2
Personnel costs	-25.8	-24.6	-1.2	4.9
Other operating costs	-20.1	-27.5	7.4	-26.9
Income from investments	6.4	8.0	-1.6	-20.0
<b>EBITDA</b>	<b>4.6</b>	<b>17.2</b>	<b>-12.6</b>	<b>-73.3</b>
Depreciation on capital assets	-4.4	-9.5	5.1	-53.7
Interest results	-0.4	-0.2	-0.2	100.0
Extraordinary results	0.0	0.0	0.0	0.0
Taxes	0.0	-1.9	1.9	-100.0
<b>Annual results</b>	<b>-0.2</b>	<b>5.5</b>	<b>-5.8</b>	<b>-103.6</b>
EBITDA as % of turnover	3.6%	10.2%		

#### Events organised in-house

A direct comparison cannot be made between 2011 and the previous year, because certain events take place at different intervals. However, all the events taking place in 2011 underwent a positive development, and this applies in particular to the leading international events from the Messe Berlin portfolio. There was an expansion of the rented display area, the most important key figure in the trade fair sector, at the International Green Week Berlin, FRUIT LOGISTICA and ITB Berlin – The World's Leading Travel Trade Show – and IFA – Consumer Electronics Unlimited.

Special events and regional events also continued to develop successfully. ConhIT, Wasser Berlin International and CMS reported increased attendance figures compared with the previous events.

#### Congresses

The Congress Division of Messe Berlin achieved good commercial results for the year with a total of 438 meetings and entertainment shows as well as attracting a total attendance of 161,350 to the International Congress Center Berlin (ICC Berlin), the Palais am Funkturm and the exhibition halls.

In particular Berlin has improved its standing as a venue for international medical conventions. At 74% the proportion of out-of-town visitors among the more than 146,000 conference attendees was well above the average. Numerous conferences were accompanied by industrial exhibitions on the Exhibition Grounds. A total of 15 conventions with accompanying exhibitions were held in 2011. The overall rented display area amounted to 85,600 sq. metres.

#### Guest events

With a rented display area of 537,390 m<sup>2</sup>, compared with 388,000 m<sup>2</sup> in the previous year, the Guest Events Division enjoyed a very successful year in 2011. A total of 45 events were held in 2011. when 5,030 exhibitors presented their products and services to over 289,000 visitors.

#### Subsidiary companies

There has been a very positive development of the trade fairs and exhibitions organised by subsidiaries of Messe Berlin outside the Exhibition Grounds. In particular, at 19%, the congress business of the K.I.T. Group GmbH was substantially above the projected turnover for the business year 2011.

In collaboration with the joint venture partner Deutscher Bauernverlag GmbH there was continued expansion of E.G.E. GmbH, which is tasked with developing agricultural trade fairs throughout Germany, and in 2011 the company acquired Agrarunternehmertage (Münster) and Regio Agrar Bayern (Augsburg).

#### Events abroad

Among the most successful of its own events staged by the group abroad are ITB ASIA in Singapore and ASIA FRUIT LOGISTICA in Hong Kong. As a result of the steadily increasing success of ASIA FRUIT LOGISTICA as the leading Asian trade fair for fresh fruit and vegetables and a 14% increase in the rented area in 2011 a new venue will be used in 2012 in

order to meet the demands for more space by the participating countries, which now total 30.

From 5 to 7 September 2012 the ASIA FRUIT LOGISTICA will be taking place at the "Asia-World-Expo", the ultramodern exhibition centre located close to "Hong Kong International Airport". In 2011 the continuing strong demand for travel emanating from the Chinese population meant that the global travel industry gave a vital impetus to ITB Asia, which took place for the fourth time in Singapore from 19 to 21 October 2011. The fair was attended by exhibitors from more than 70 countries, including Botswana, Finland, Croatia and Iraq. In 2012 ITB ASIA is planning to increase its overall display area by 15 per cent.

#### Service companies

The service subsidiaries Capital Catering GmbH (catering services), Capital Facility GmbH & Co. KG (technical maintenance and infrastructural facility management) and MB Capital Services GmbH (fair construction, marketing of advertising display areas and ticket sales) recorded a slight decline in turnover compared with the previous year as a result of the scheduled reduction in the number of events in 2011. However, compared with the previous estimates, there was an increase in turnover and results.

#### Expenditure on the Berlin Exhibition Grounds

The results for Messe Berlin GmbH were significantly affected by the high costs of maintenance and repairs on the Exhibition Grounds and in the ICC Berlin.

Messe Berlin Group	Actual 2011		
	Group total	of which Real property	of which trade fairs and exhibitions
	mi. €	mi. €	mi. €
Turnover proceeds	182.1	17.9	164.2
Directly allocatable expenditure	-124.2	-42.9	-81.3
<b>Contribution margin</b>	<b>57.9</b>	<b>-25.0</b>	<b>82.9</b>
Personnel costs	-41.8	-17.2	-24.6
Other expenditure and income	-14.6	-10.0	-4.6
<b>Earnings before tax (EBT)</b>	<b>1.5</b>	<b>-52.2</b>	<b>53.7</b>

### Special factors affecting the profits situation

The group results are adversely affected by non-scheduled depreciation on the company value amounting to TEUR 616 and non-scheduled depreciation on tangible assets amounting to TEUR 963.

### Financial and assets situation

The group's financial situation remains stable. Compared with the previous year the group balance sheet total rose by EUR 9.9 mi. Due to construction projects (down payments made and installations under construction EUR 22.2 mi.), there has been an increase in long term assets. This compares with long term borrowed capital amounting to EUR 34.7 mi. Liquid funds have declined by EUR 12.5 mi. The equity ratio is 30%.

Messe Berlin Group	2011	2010	Changes compared with previous year	
	mi. €	mi. €	mi. €	%
Long term assets	60.0	39.4	20.6	52.3
Short term assets	93.8	104.5	-10.7	-10.2
<b>Assets</b>	<b>153.8</b>	<b>143.9</b>	<b>9.9</b>	<b>6.9</b>
Equity capital	46.5	45.8	0.7	1.5
Long term outside capital	35.7	18.5	17.2	93.0
Short term outside capital	71.6	79.6	-8.0	-10.0
<b>Liabilities</b>	<b>153.8</b>	<b>143.9</b>	<b>9.9</b>	<b>6.9</b>

### Outside financing

Long term loans amounting to EUR 25 mi. – Berlin Expo Center Airport (budget EUR 27 mi.), construction of exhibition halls at the Selchow site (budget EUR 16 mi.) long term loans totaling EUR 25 mi. (EUR 8 mi. Messe Berlin GmbH, EUR 17 mi. Messeimmobilien Selchow GmbH) have been arranged to finance various construction projects. The loans have been earmarked for a specific purpose and refinanced through KfW funding. All the loans are for 20 years and interest is charged at 3.49% p. a. (fixed interest rate for 10 years) or 3.69% (fixed interest rate for 20 years).

The group's provisions mainly apply to maintenance and pension commitments and to outstanding suppliers' invoices.

### Development of cash flow

The reduced figures for turnover and results in the year under review, a consequence of the events schedule, together with the correspondingly increased maintenance activities, led to a reduction in the cash flow from current business activities by EUR 32.4 mi. to EUR -1.9 mi.

In the financial year the group invested a total of EUR 23.0 mi. in capital assets, EUR 2.5 mi. in intangible assets and EUR 12 mi. in financial assets.

Consolidated cash flow statement (summary)	2011	2010
	mi. €	mi. €
Cash flow from ongoing business activity	-1.9	30.5
Cash flow from investment activity	-26.7	-5.7
Cash flow from financing activity	16.1	0.0
Change in financial resources as cash item	-12.5	24.8
Change in financial resources due to consolidation	0.0	0.1
Financial resources as of 1 January	80.2	55.3
Financial resources as of 31 December	67.7	80.2

Messe Berlin GmbH Cash flow statement (summary)	2011	2010
	mi. €	mi. €
Cashflow from current business activity	-4.7	21.0
Cashflow from investment activity	-22.2	-11.2
Cashflow from financing activity	8.0	0.0
Change in financial resources as cash item	-18.9	9.8
Financial resources as of 1 January	59.8	50.0
Financial resources as of 31 January	40.9	59.8

## Risk management

### Risk policy

The risk policy adopted by Messe Berlin is dominated by its efforts to maintain sustainable growth while at the same time avoiding undue risks. The emphasis is on the avoidance of undue risks. Actions are governed by a conscious balancing of opportunities and risks.

### Advanced risk management system

In order to identify, assess and document risks within the group Messe Berlin GmbH applies a standardised risk management system which is regularly reviewed to determine its appropriateness and its effectiveness. Risk management was adapted or extended in the year under review, 2011. The adoption of a risk management matrix is intended to make it easier for individual divisions to identify potential risks and to direct attention to areas that may not have been considered previously.

The basic principles of the risk management system and its new features are laid down in an organisational directive. All main risks are classified at a divisional and a subsidiary level.

The findings obtained during the classification process form the basis for estimating current and future risk situations within the group. Risk management is an ongoing process. In addition to regular monthly reports, accompanied by a permanent, year-end extrapolation at all levels within the group, a half-yearly group risk report is submitted to the management and the supervisory board for certain individual risks, depending on their severity.

The development of risks within the group of companies is monitored using early warning indicators. Economic fluctuations are shown as risk factors affecting the business development. In the course of the annual economic planning process the various opportunities and risks associated with all future business activities are assessed and any changes in the market or in the competitive situation are taken into consideration. Entrepreneurial risks incurred when expanding business activities and in the course of new projects are only entered into if it is certain that they can be adequately controlled.

### Expected economic environment

The German government is forecasting only slight growth by the German economy with the result that, in real terms, the gross domestic product will grow in 2012 by up to 1%, while the number of people in employment will increase to 41.3 mi. The unemployment rate is expected to fall to 6.8% while the available household income will rise by 3%.

Against the background of continuing economic stability the industry association AUMA expects the numbers of exhibitors and visitors to increase by just under 2% while rented areas will stay unchanged. A slight decline in domestic participation is expected, while there will continue to be keen interest from abroad in the German market and in German trade fairs.

### Risk areas

The typical risks faced by a trade fair company include exhibitor and visitor numbers that fail to meet expectations, pricing pressure at guest events and the loss of trade fairs to other venues. For Messe Berlin risks associated with the grounds and with construction work are of primary concern.

In addition to the major opportunities presented by the new exhibition grounds at BerlinExpo Center Airport, the unavoidable risks associated with a new site have been extensively analysed and assessed. Reliance has therefore been placed on the maximum avoidance of risks and the involvement of external building experts. The same applies to the new City Cube Berlin, which will, from 2014, be used to house congresses while the ICC is being renovated following a decision by the Land Berlin Discussions with existing and possible new convention partners have met with a positive response and we can therefore assume that all the congresses previous held in the ICC can also take place in the new City Cube Berlin.

Consequently the risk that some of the congress business could be lost when the ICC is closed for several years can be regarded as minimal.

One unpredictable risk facing the company is the possibility of renovation work becomes necessary in the ICC Berlin as a result of technical damage. Due to the state of the technical facilities it cannot be ruled out that other, non-scheduled maintenance work might be necessary prior to the planned closure at the end of 2013 for general renovation to enable congresses to be held in the building until that time.

### The group's strategic and organisational focus

At its meeting on 1 December 2011 the supervisory board decided to incorporate the subsidiary Messewelten GmbH in Messe Berlin GmbH. The company's only event, Boot & Fun, will be included within the organisation of Messe Berlin and will in future take place as one of Messe Berlin's own events.

The new exhibition site at Selchow has primarily been planned and developed as the venue for the ILA from 2012 onwards. Its unique location immediately adjacent to the new Berlin-Brandenburg airport had already attracted a number of other interested parties prior to its completion.

## Future prospects, opportunities and risks associated with future expansion

Following the demolition of the Deutschlandhalle, scheduled to be completed at the end of April, work will commence on the construction of the new CityCube Berlin. This new building, on the site of the Deutschlandhalle, will have a total floor area of some 33,000 m<sup>2</sup>, over 13,000 m<sup>2</sup> of rentable hall space, and numerous smaller side rooms for congress events as well as offices for convention staff. The estimated construction costs are approx. EUR 76 mi. and the new building will be financed by Messe Berlin GmbH. The CityCube Berlin is expected to open at the beginning of 2014.

The Senate Department for Economics, Technology and Research of the Land Berlin is currently considering a reduction from 2013 by EUR 4 mi. p.a. in its annual subsidy to Messe Berlin GmbH, which is intended to contribute to meeting the costs of maintenance and repair of the Exhibition Grounds and ICC Berlin. In response to this reduction corresponding savings will have to be achieved in the costs of managing and operating the Exhibition Grounds.

In collaboration with a business consultancy Capital Catering GmbH has drawn up concepts for a re-orientation of the company and has produced proposals for implementing a strategy of expansion. After reorganising internal structures one of the main points of emphasis would be on setting up a central production facility. These plans will be submitted for final decision-making during the first half of 2012.

After Messe Berlin GmbH has taken over 100% of the stake in Capital Facility GmbH & Co. KG, on 1 January 2012 the facility management capacities of Messe Berlin GmbH and Capital Facility & Co. KG will be merged. The aim is to enable Capital Facility & Co. KG to be set up within the Messe Berlin group of companies as a traditional facility management company, which would also be commercially competitive outside the Berlin Exhibition Grounds. At the start of the year the book-keeping and other administrative tasks of Capital Facility & Co. KG were incorporated within Messe Berlin.

#### **Planning basis**

The future development of the earnings, finance and assets situation is being planned on the basis of assumptions that, at the present time, appear plausible and sufficiently probable, although the economic background is still one of great uncertainty.

Consequently the actual development may differ significantly from the assumptions already made, and from the ensuing planning and predicted trends. No events have occurred that likely to impact significantly on the expected earnings, finance and assets situation at the close of the business year.

#### **Expected development of business and earnings**

In accordance with the schedule of events, Messe Berlin GmbH is expecting a significant increase in the relevant key figures in 2012 over 2010, the last comparable year. During the last quarter of the past business year a good level of bookings had already been received for the leading international trade fairs. A group turnover of some 230 mi. EUR is projected, with a yield of some 5.2 mi. EUR. In accordance with the scheduled cycle of events, group turnover in the 2013 business year will be slightly less than EUR 200 mi. above the figure for the last comparable year, 2011. The group earnings will be marginally negative.

#### **Expected financial and assets situation**

Based on the current state of planning, the expected financial and assets situation will be affected by the group's construction activities.

The group is planning to include long term credits amounting to EUR 16.5 mi. in its balance sheet, which are being used to finance this work. The adoption of additional credit in the range of EUR 40 mi. for financing the construction of the City Cube Berlin is planned for the financial year 2012.

29 February 2012

Raimund Hosch

Dr. Christian Göke

# Group financial statement and annual statement 2011

Group balance sheet  
Messe Berlin GmbH  
as of 31. Dezember 2011

Assets	31. 12. 2011		31. 12. 2010	
	TEUR	TEUR	TEUR	TEUR
<b>A. Capital assets</b>				
I. Intangible assets				
1. Rights and licences acquired against payment	2,040		1,077	
2. Value as going concern	28		116	
3. Payments made on account	150	2,218	58	1,251
II. Fixed assets				
1. Buildings on other premises	27,502		29,136	
2. Technical equipment and machinery	2,146		2,332	
3. Operating and business equipment	4,617		6,422	
4. Down payments for installations under constr.	22,224	56,489	180	38,070
III. Financial assets				
1. Shares in associated companies	51		39	
2. Shareholdings	26		26	
3. Securities	42		42	
4. Payments made on account	1,200	1,319	0	107
		<b>60,026</b>		<b>39,428</b>
<b>B. Liquid assets</b>				
I. Stocks				
1. Raw, auxiliary and operating materials	191		214	
2. Work in progress	573		681	
3. Goods	155		166	
4. Payments made on account	2,917	3,836	475	1,536
II. Claims and other assets				
1. Claims from supplies and services	10,564		14,977	
2. Claims against partners	1,860		1,558	
3. Claims against companies with shared ownership	0		136	
4. Other assets	9,606	22,030	5,843	22,514
III. Other securities		0		29
IV. Cash in hand, balances with financial institutions		67,719		80,232
		<b>93,585</b>		<b>104,311</b>
<b>C. Deferred revenue</b>		<b>125</b>		<b>189</b>
<b>D. Active balances from apportionment of assets</b>		<b>41</b>		<b>0</b>
		<b>153,777</b>		<b>143,928</b>

Liabilities	31. 12. 2011		31. 12. 2010	
	TEUR	TEUR	TEUR	TEUR
<b>A. Equity capital</b>				
I. Subscribed capital	20,708		20,708	
II. Capital reserves	12,578		12,578	
III. Other earnings reserves	109		109	
IV. Net group earnings	11,136		10,759	
V. Difference in equity capital due to currency conversion	23		0	
VI. Adjustment items for interests of other shareholders	1,949		1,665	
	<b>46,503</b>		<b>45,819</b>	
<b>B. Balance from capital consolidation</b>		<b>97</b>		<b>130</b>
<b>C. Special items contributions to assets</b>		<b>4,545</b>		<b>4,835</b>
<b>D. Provisions</b>				
1. Provisions for pension	14,697		13,755	
2. Provisions for tax	1,210		2,804	
3. Other provisions	31,379		33,197	
	<b>47,286</b>		<b>49,756</b>	
<b>E. Liabilities</b>				
1. Liabilities to financial institutions	16,500		0	
2. Down payments received on orders	25,935		23,859	
3. Liabilities from supplies and services	6,193		6,408	
4. Liabilities to associated companies	0		42	
5. Liabilities to companies with shared ownership	0		1,950	
6. Other liabilities (from taxes TEUR 886 (prev. yr. TEUR 5,095) (for social security TEUR 45 (prev. yr. TEUR 24)	4,529		8,729	
	<b>53,157</b>		<b>40,988</b>	
<b>F. Deferred revenue</b>		<b>2,189</b>		<b>2,400</b>
	<b>153,777</b>		<b>143,928</b>	



**Group profit and loss account  
Messe Berlin GmbH  
for the period from 1 January  
to 31 December 2011**

	TEUR	2011 TEUR	TEUR	2010 TEUR
1. Turnover proceeds	182,087		217,422	
2. Reduction of stock of work in progress	-103		-219	
3. Other operating proceeds (proceeds from currency conversion TEUR 16; previous year TEUR 105)	6,217	188,201	6,939	224,142
4. Expenditure on materials				
a) Expenditure on raw, aux. And operating materials and goods brought in	-12,906		-12,954	
b) Exp. On services brought in	-102,396	-115,302	-124,039	-136,993
5. Personnel costs				
a) Wages and salaries	-36,158		-32,256	
b) Social levies and expenditure for pensions and support (for pensions TEUR 2,886; previous year TEUR 1,741)	-8,876	-45,034	-6,969	-39,225
6. Write downs on intangible assets and fixed assets		-5,988		-11,502
7. Other operating expenses (expenditure incurred by currency conversion TEUR 34; previous year TEUR 42)		-19,270		-29,014
8. Earnings from holdings in associated companies		0		1,847
9. Earnings from profit transfer agreements		0		2
10. Other interest and similar earnings (from associated companies TEUR 0; previous year TEUR 34)		633		495
11. Interest and similar expenditure (expenditure from interest on provisions TEUR 822; previous year TEUR 915)		-1,105		-931
<b>12. Yield from normal business activities</b>		<b>2,135</b>		<b>8,821</b>
13. Extraordinary earnings		1		0
14. Extraordinary expenditure		0		-976
15. Taxes from income and earnings		-1,086		-2,502
16. Other taxes		-12		-13
<b>17. Annual group surplus</b>		<b>1,038</b>		<b>5,330</b>
18. Profits share of other shareholders		-661		-491
<b>19. Group profit</b>		<b>377</b>		<b>4,839</b>
20. Profit carried over from previous year		10,759		5,920
<b>21. Net group profit</b>		<b>11,136</b>		<b>10,759</b>

Scope of equity capital for  
the business year 2011

	Subscribed capital	Capital reserve	Group equity generated	Currency conversion	Parent company's equity capital	Minorities'l equity capital	Group equity capital
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
1. 1. 2010	20,708	12,578	6,029	–	39,315	–34	39,281
<b>Annual group surplus</b>	–	–	<b>4,839</b>	–	<b>4,839</b>	<b>491</b>	<b>5,330</b>
Change in scope of consolidation	–	–	–	–	–	1,208	1,208
31. 12. 2010	20,708	12,578	10,868	–	44,154	1,665	45,819
<b>Annual group surplus</b>	–	–	<b>377</b>	–	<b>377</b>	<b>660</b>	<b>1,037</b>
Other results	–	–	–	23	23	–	23
Distribution of profits	–	–	–	–	–	–428	–428
Change in scope of consolidation	–	–	–	–	–	52	52
<b>31 Dezember 2011</b>	<b>20,708</b>	<b>12,578</b>	<b>11,245</b>	<b>23</b>	<b>44,554</b>	<b>1,949</b>	<b>46,503</b>

# Appendix 2011

## Group and Messe Berlin GmbH

<b>General details</b>	1. Preliminary remarks 2. Consolidated entity 3. Consolidation principles
<b>Balance sheet and assessment principles</b>	4. Principles 5. Fixed assets 6. Liquid assets 7. Active balance from the capital account 8. Special items 9. Reserves and liabilities 10. Deferred taxes 11. Foreign currency conversion
<b>Explanations regarding balance sheets</b>	12. Fixed assets 13. Accounts receivable and other assets 14. Active accruals and deferrals 15. Active balance from the capital account 16. Equity capital 17. Balance from the capital consolidation 18. Special items for investment subsidies 19. Reserves 20. Liabilities 21. Deferred taxes 22. Business not included in the balance sheet, contingencies and other financial liabilities 23. Business conducted with affiliated companies and persons
<b>Explanations concerning the profit and loss accounts</b>	24. Sales proceeds 25. Other operating revenues 26. Other operating expenditure 27. Staff 28. Write-downs 29. Extraordinary income 30. Taxes
<b>Explanation about the statement of changes in the financial position</b>	31. Composition of the financial capital

32. Management and Supervisory Board
33. Total auditor's fee

Appendix 1: Breakdown of share ownership
Appendix 2: Development of the group's assets for the financial year 2011
Appendix 3: Development of the assets of Messe Berlin GmbH for the financial year 2011

### 1. Preliminary remarks

The financial statement of Messe Berlin GmbH and the group financial statement have been prepared in accordance with commercial law as it applies to large incorporated companies, and with the supplementary regulations of the law regulating limited liability companies, as well as taking into consideration the principles of correct book-keeping and group accounting. The profit and loss accounts have been prepared in accordance with the aggregate cost method.

To simplify the report the appendix and group appendix of Messe Berlin GmbH have been combined. If not stated otherwise, the explanations apply to both financial statements. The presentation currency is the euro (EUR). If not otherwise stated, all amounts in this report are shown in thousands of euros (TEUR).

The annual and group financial statement prepared by Messe Berlin has been submitted to the operator of the electronic Bundesanzeiger (Federal Gazette) and have been announced in the Bundesanzeiger.

The purpose of the company Messe Berlin GmbH is to organise, stage and provide support for trade fairs, exhibitions, congresses and meetings, sporting and entertainment events in order strengthen Berlin's position at home and abroad as a venue for trade fairs and similar events, and participation in events of this kind and all the activities associated with such business.

### 2. Consolidated entity

Along with Messe Berlin GmbH the group financial statement also includes thirteen domestic and two foreign companies (previous year: thirteen domestic and one foreign company). With effect from 23 September 2011, for the first time FVF Messe Event AG, founded on 22 August 2011 with headquarters in Frauenfeld, Switzerland, has also been fully consolidated.

### Other explanations

### Enclosures

### General details

MW Messe-Ausstellungen und Dienstleistungsgesellschaft Wolfsburg mbH holds a 51% stake in this company.

In addition to FVF Messe-Event AG, in the course of full consolidation the following subsidiaries have also been included in the group financial statement:

Capital Catering GmbH, Berlin  
MB Capital Services GmbH, Berlin  
CSG-Team GmbH, Berlin

Capital Facility GmbH & Co KG, Berlin  
MW Messe-Ausstellungen und Dienstleistungsgesellschaft Wolfsburg mbH, Wolfsburg  
Messewelten GmbH, Berlin

E.G.E. European Green Exhibition GmbH, Berlin  
MAZ Messe- und Ausstellungszentrum Mühlengiez GmbH, Mühlengiez  
Global Produce Events GmbH, Berlin

K.I.T. Group GmbH, Berlin  
Festival Technical Event Management GmbH, Berlin  
K.I.T. Congress Incentives GmbH, Dresden

Messe Berlin (Singapore) Pte. Ltd., Singapore

All the companies are under the coordinated management of Messe Berlin GmbH or Messe Berlin GmbH holds the majority of voting rights, either directly or indirectly.

Messe Berlin GmbH holds a 50% stake in Messeimmobilien Selchow GmbH, based in Selchow. The company is included proportionately in the group financial statement.

The group financial statement does not include Capital Facility Beteiligungsgesellschaft mbH, Berlin, Berlin Fashion Week GmbH, Berlin, i. L. or WHS Foundation GmbH, established on 22 July 2011. These companies are of lesser importance in the group financial statement. Voting rights are applied in accordance with § 296 Section 2.

### 3. Consolidation principles

The balance sheet date for all the companies included in the group statement is 31 December 2011. The initial consolidation must take place at a time when the possibility for control of the assets and of the financial and operative actions of the acquired company passes to the group.

Capital consolidation takes place in accordance with the re-assessment method. This involves offsetting the stated amounts of the shares held by the respective parent company against the time values of the subsidiary company's assets and liabilities, which are to be included in the group statement. The difference remaining after offsetting, if it comprises assets, is shown as goodwill, and is written off over the anticipated period of use or at the value to be adjusted on the balance sheet date. Negative balances are recognised as income in a scheduled procedure, provided that expected losses or expenditure do not mitigate against liquidation.

For companies first consolidated before 1 January 2009 the book value method is retained for the capital consolidation (§ 301 Section 1 p. 2 No. 1 a. F. HGB).

Accounts receivable, liabilities, expenditure and earnings between the companies involved are eliminated. To this extent interim results are largely subtracted out.

With the exception of equity capital, a statement in a foreign currency is converted into euros at the exchange rate in force on the reference date of the statement. The foreign company's equity capital (subscribed capital, reserves, profit or loss carried forward) is converted at the historic rate at the time of first inclusion of the subsidiary in the group financial statement. The profit and loss account items are converted into euros at the mean exchange rate. In the conversion of equity capital, differences arising from changes in the exchange rate since the previous year are shown, recognised directly in equity, under the item 'Differences in equity capital resulting from currency conversion'.

### 4. Principles

The balance sheet and assessment methods applied uniformly throughout the group have remained unchanged since last year, with the following exceptions:

In a departure from the previous year, foreign currency differences are shown, recognised directly in equity, under the item 'Equity capital from foreign currency differences'.

## Balance sheet and assessment principles

Accruals to low-value fixed asset items with an acquisition cost not exceeding EUR 410 are written down in full in the year under review. In previous years depreciable goods and chattels with an initial cost of between EUR 150 and EUR 1,000 have been included as a compound item and written down over a period of five years.

Provided they are not accessible to all other creditors and serve solely for the discharge of debts arising from pension obligations, securities are offset against the corresponding debts. An active surplus resulting from the offsetting is shown as an active balance from the capital account.

#### **5. Fixed assets**

Intangible assets acquired by payment and tangible assets are entered on the balance sheet at their initial cost. Depreciable assets are written down linearly over their period of use. If a long term reduction in value is anticipated, additional, non-scheduled write-downs will be made at an adjusted, lower value on the reference date of the financial statement.

A fixed value is set for small catering items which are regularly replaced and are of secondary importance compared with the overall value. The principles defined by § 6 Section 2 EStG or § 6 Section 2a EStG are applied to small-value items. They are fully written down in the year of acquisition or over a five year period.

Financial assets are capitalised at the initial cost, or, if a long term reduction in value is anticipated, at the adjusted, lower value on the reference date of the financial statement. Financial assets are shown on the balance sheet at the initial cost, or, if a long term reduction in value is anticipated, at the adjusted, lower value on the reference date of the financial statement.

#### **6. Liquid assets**

Raw, auxiliary and operating materials as well as good are assessed at their initial cost or lower adjusted value on the reference date of the financial statement and incomplete deliverables are assessed at the manufacturing cost. The production costs for future events comprise quantifiable, directly allocatable individual costs (material and individual manufacturing costs) as well as reasonable, combined manufacturing costs. General costs not related to production are not capitalised.

Receivables and other assets are shown on the balance sheet at a nominal value or at their initial cost or at an adjusted, lower value on the reference date of the financial statement. Individual risks are taken into account by means of reasonable adjustments in value.

Securities are shown on the balance sheet at their initial cost or at a lower adjusted value and, provided they are not accessible to all other creditors, are offset against the corresponding liabilities.

Financial resources encompass cash holdings, bank balances and cheques are shown on the balance sheet either at a nominal value or at an adjusted lower value on the reference date of the financial statement.

#### **7. Active balance from the capital account**

Credit surpluses from offsetting assets against corresponding liabilities are shown. The assets are not accessible to all other creditors and are rated as ongoing initial costs. Accruing earnings and expenditure are also offset accordingly.

#### **8. Special items**

Public investment subsidies, intended for the purchase of tangible assets, are shown. The special items are written off as recognised income over the period of use of the subsidised assets.

#### **9. Reserves and liabilities**

Reserves for pensions and similar liabilities are assessed on the basis of actuarial calculations in accordance with the projected unit credit method, taking into account future remuneration and pension adjustments.

Tax provisions and other provisions equivalent to the required settlement amount are made in accordance with the principles of a rational commercial assessment for uncertain liabilities and the threat of losses from pending business. In making the assessment the expected price and cost increases are also taken into account. Liabilities with a residual time to maturity of more than one year are subject to interest for the time remaining until maturity at the average market rate of interest.

Liabilities are fixed in accordance with the settlement amount.

#### 10. Deferred taxes

Deferred taxes are determined using the temporary differences between the estimates in the balance of trade and the fiscal valuation and losses brought forward. Deferred tax assets and liabilities are offset as a sum total; a resulting deferred tax asset surplus is not applied. This also applies to deferred tax assets in the group financial statement.

#### 11. Foreign currency conversion

Assets and liabilities shown in foreign currencies are converted at the mean exchange range in effect on the reference date of the financial statement. In accordance with § 256a HGBF, for a residual time to maturity of one year or less, the initial cost principle and the realisation principle are not applied.

#### 12. Fixed assets

A breakdown of the asset items and their development in 2011, as summarised in the Messe Berlin balance sheet and the consolidated balance sheet, is shown in the respective fixed assets schedule (Enclosure 2 and Enclosure 3 of the Appendix). A list showing share ownership as of 31 December 2011 was included in the Appendix in Enclosure 1.

With retroactive effect from 1 January 2011, on the basis of the merger agreement dated 6 July 2011 and the decision passed on the same day, Popkomm GmbH, with its headquarters in Berlin, was merged with Messe Berlin GmbH through the assignment of its assets as a result of its liquidation. The resulting profits from the merger, amounting to TEUR 0.6, will be shown in the extraordinary income of Messe Berlin GmbH.

WHS Foundation GmbH was established with effect from 22 July 2011. The original share capital of the company amounts to TEUR 25, with Messe GmbH holding a 100% stake.

Accruals to the financial assets of Messe Berlin GmbH consist in particular of an additional payment into the capital reserves of MW Messe-, Ausstellungs- und Dienstleistungsgesellschaft Wolfsburg mbH, Wolfsburg (TEUR 600) in order to acquire 51% of the shares in FVF Messe Event AG in Switzerland (TEUR 645) and a contractually agreed share amounting to TEUR 1,200 in order to acquire additional shares in K.I.T Group GmbH in 2012.

With effect from 1 June 2011, E.G.E. European Green Exhibitions GmbH, Berlin acquired the rights to Agrarunternehmertagen and to Regio Agrar Bayern, with a value of TEUR 1,069.

The main accruals to the tangible assets concern advance payments and investments in construction and are a result of the construction work carried out by Messe Berlin GmbH (TEUR 17,488) and Messeimmobilien Selchow GmbH (TEUR 4,622). The marquees acquired previously by MB Capital Services GmbH (TEUR 2,788), which are intended for hire, were sold at a fair market value (TEUR 1,967) on 1 July 2011 to Messe Berlin GmbH.

In the year under review non-scheduled write-offs on the value of the company amounting to TEUR 616 and on tangible assets amounting to TEUR 963.

#### 13. Accounts receivable and other assets

Receivables and other assets of Messe Berlin GmbH (TEUR 25,447; previous year TEUR 25,686) all have a residual time to maturity of less than one year. Within the group (TEUR 22,030; previous year TEUR 22,514) other assets amounting to TEUR 69 with a residual time to maturity of more than one year are shown.

The main shareholder in Messe Berlin GmbH – the Land Berlin is liable for receivables on deliveries and services amounting to TEUR 1,860. Claims against affiliate companies of Messe Berlin (TEUR 7,538; previous year TEUR 6,509) result mainly from the transfer of subsidiaries' earnings.

The other assets of Messe Berlin GmbH and of the group (TEUR 8,326; previous year TEUR 5,182) consist predominantly of advances (TEUR 4,732; previous year TEUR 2,082) (TEUR 2,082) and claims made against tax offices (TEUR 3,119; previous year TEUR 1,204). The increase in claims against tax offices can be explained by the increased input tax claims arising from construction work by Messe Berlin.

#### 14. Active accruals and deferrals

The active accruals and deferrals in the group (TEUR 125; previous year TEUR 189) consist exclusively of the payments for expenses for a specific period following the balance sheet date.

#### 15. Active balance from the capital account

An active surplus amounting to TEUR 41 from offsetting from the fund assets of Capital Facility GmbH & Co. KG with a time value of TEUR 240 is shown, which is not accessible to any other creditors, and was offset against liabilities from long term accounts for hours worked amounting to TEUR 199.

#### **16. Equity capital**

The components of and changes to the group's equity capital are shown in the group equity capital schedule.

The cumulative, earned capital includes the earnings of the companies included in the group financial statement, unless these have been distributed.

The shares held by other partners (TEUR 1,946) refer to the original share capital and the share on the profits held by minority shareholders in E.G.E European Green Exhibition GmbH (TEUR 1,097), Global Produce GmbH (TEUR 68), K.I.T Group GmbH (TEUR 739) and F.V.F. Messe-Event AG (TEUR 42).

Conversion of the equity capital in Singapore dollars in the financial statement of MB (Singapore) Ltd. Pte., reveals a difference due to conversion amounting to TEUR 23. The difference, which does not affect net income, is shown in the group statement under the item "Equity capital from currency conversions".

#### **17. Balance from the capital consolidation**

The negative balance amounting to TEUR 130 that arose from the initial capital consolidation of the subsidiaries of K.I.T. Group GmbH was successfully liquidated as planned during the year under review (TEUR 33) and on 31 December 2011 amounted to 97 TEUR.

#### **18. Special items for investment subsidies**

Public financing assistance as part of the regional economic development scheme for investment projects is shown here. The special item is liquidated linearly over the period of use of the investment and applies to its full extent to Messe Berlin GmbH.

#### **19. Reserves**

The reserves shown in the group for pensions (TEUR 14,697; previous year TEUR 13,755) were created to meet liabilities arising from rights to future pensions and to current benefits payable to former and active employees of Messe Berlin GmbH and Capital Facility GmbH & Co. KG as well as for their surviving dependents.

They are based on individual and collective agreements. Interest components from pensions amounting to TEUR 822 for the unconsolidated financial statement and TEUR 915 for the group were shown as interest expenditures in the profit and loss statement.

The assessment of the pension obligations has been obtained using the projected-unit credit (PUC) method.

The reserves were calculated on the basis of an actuarial interest rate of 5,13% p. a. (previous year 5,15% p. a.) and an upward trend in pensions and wages of 2% p. a. and 3% p. a. respectively (previous year 2% p. a. and 3% p. a.). The life expectancy was obtained according to the actuarial tables 2005 G prepared by Dr. Klaus Heubeck.

Within the group, for the year under review tax provisions for corporation tax and trade tax amounting to TEUR 1,210 are shown. In addition the tax provisions shown also include foreign tax on earnings amounting to TEUR 189 (previous year TEUR 118) and added tax earnings amounting to TEUR 100 from an external audit for the period 2005 to 2007.

The other reserves take into account all identifiable legal and de facto obligations to third parties, which are likely to be met and for which the amounts can be reliably estimated. They include in particular the maintenance obligations arising from the lease agreement with the Land Berlin (TEUR 15,998), provisions for the threat of losses (TEUR 3,039, TEUR 3.053 for the group), outstanding suppliers' invoices (TEUR 3,877 for Messe Berlin GmbH, TEUR 5,115 for the group), provisions for holiday and leisure time due (TEUR 1,710 for Messe Berlin GmbH, TEUR 2,070 for the group), provisions to cover part time allowances for older employees (TEUR 780 for Messe Berlin GmbH, TEUR 827 for the group) and provisions for long term deposits (TEUR 237 for Messe Berlin).

The calculation of the provisions to cover part time allowances for older employees in the group is in accordance with § 253 Section 2 Line 1 HGB and is based on a bank lending rate of 4.09% (previous year 4.07%) and future wage increases of 3.0% p. a. The provisions for long term deposits (accounts for hours worked) for Messe Berlin were calculated with a bank lending rate of 5.13% (previous year 5.15%) and a future wages trend of 3.0% p. a. in accordance with the projected unit credit method.

The long term provisions for personnel for Messe Berlin GmbH were offset against assets of TEUR 4,667 and TEUR 4,967 for the group.

#### **20. Liabilities**

Within the group the financial liabilities to financial institutions amount to TEUR 16,500.

In order to finance the development and construction of the exhibition site at Selchow (Expo Center Airport), as of 4 November 2011 Messeimmobilien Selchow GmbH took out two loans of TEUR 8,500 each (totalling TEUR 17,000).

Messeimmobilien Selchow GmbH is shown in the group financial statement with a share of 50%. In order to finance the construction of exhibition halls on the site at Selchow, on 7 November 2011 Messe Berlin GmbH took out a loan for the sum of TEUR 8,000.

All the loans are for 20 years and interest is charged at 3.49% p. a. (fixed interest rate for 10 years) or 3.69% (fixed interest rate for 20 years). The loans have been earmarked for a specific purpose and refinanced through KFW funding.

In addition Messe Berlin GmbH has liabilities from payments on account received amounting to TEUR 544 for periods of between one and five years.

The other liabilities contain liabilities from taxes amounting to TEUR 342 for Messe Berlin and TEUR 886 for the group and social security liabilities of TEUR 2 for Messe Berlin and TEUR 45 for the group.

## 21. Deferred taxes

Active and passive deferred taxes accrue from the temporary differences between the balance of trade and tax balance sheets. The tax investigation on 31 December 2011 Messe Berlin GmbH continued to have a deferred tax asset surplus

Messe Berlin GmbH	31.12.2011		31.12.2010	
	Deferred tax assets <sup>1</sup>	Deferred tax liabilities <sup>1</sup>	Deferred tax assets <sup>1</sup>	Deferred tax liabilities <sup>1</sup>
	TEUR	TEUR	TEUR	TEUR
Long term assets	214		622	
Short term assets	1,408		1,246	
Long term debts	499		472	
Short term debts	1,420	1,458	885	
Losses carried forward	2,682		233	
<b>Subtotal</b>	<b>6,223</b>	<b>1,458</b>	<b>3,458</b>	<b>0</b>
Balance	1,458			
<b>Total</b>	<b>4,765</b>	<b>0</b>	<b>3,458</b>	<b>0</b>

<sup>1</sup> Assessment rate Corp tax/Sol Surch: 15.83%, Trade tax: 14,35%

In making the calculation only losses carried forward, for which there is sufficient certainty that they can be utilised, are taken into consideration (forecast period 5 years). Companies based in Germany with the legal form of an incorporated company are subject to corporation tax of 15% and a solidarity surcharge of 5.5% on any corporation tax owed. In addition such companies are subject to trade tax, the rate being determined in accordance with the local rate of assessment (rate in Berlin for 2011: 4.10%). These rates are used as the basis for the calculation.

Between the book values in the commercial balance sheet and the tax balance sheet there are temporary differences amounting to TEUR 7,539 and taxation losses of some EUR 61 mi.

Within the group the financial liabilities to financial institutions amount to TEUR 8,674.

Group	31.12.2011		31.12.2010	
	Deferred tax assets <sup>1</sup>	Deferred tax liabilities <sup>1</sup>	Deferred tax assets <sup>1</sup>	Deferred tax liabilities <sup>1</sup>
	TEUR	TEUR	TEUR	TEUR
Long term assets	221		628	
Short term assets	1,408		1,246	
Long term debts	772		741	
Short term debts	1,480	1,458	909	
Losses carried forward	2,917		871	
<b>Subtotal</b>	<b>6,798</b>	<b>1,458</b>	<b>4,395</b>	<b>0</b>
Balance	1,458			
<b>Total</b>	<b>5,340</b>	<b>0</b>	<b>4,395</b>	<b>0</b>

<sup>1</sup> Assessment rate Corp tax/Sol Surch: 15.83%, Trade tax: 14,35%; Tax on earnings Singapore 17%

Differences from consolidation measures produce a passive surplus of TEUR 133. Capitalisation of the asset surplus in both and individual and group financial statements is dispensed with, in accordance with § 274 Section 2 HGB, § 300 Section 2 Line 2 HGB.



## 22. Business not included in the balance sheet, contingencies and other financial liabilities

Utilising the right of choice in accordance with Item 28 Section 1 Line 2 EGHGB, indirect pension obligations are not shown on the balance sheet.

Messe Berlin GmbH staff who receive their remuneration in accordance with TVÖD are insured through Versorgungsanstalt des Bundes und der Länder (VBL). The purpose of the VBL is to provide employees of the participating employers with an additional old-age pension through an insurance scheme operated under private law. The VBL is financed with contributions under the partial reserve pay-as-you-go system and additionally, from January 2004, for VBL Ost through the capital cover system.

In the year under review the contribution rate for the VBL was 7.86% (previous year 7.86%), 6.45% of which is provided by Messe Berlin (previous year 6.45%). For 461 insured persons this resulted in a contribution of TEUR 971. The employees' own contribution amounts to 1.41% of their income (previous year 1.41%).

In addition a capitalisation payment amounting to (initially) 1.86% (previous year 1.93%) of the compulsory complementary pension sum is paid. The contribution rates in 2012 remain unchanged for employers and employees.

From commitments as well as rental and leasing agreements Messe Berlin GmbH incurs financial obligations amounting to approximately EUR 45.8 mi. These include obligations arising from orders placed for the demolition of the Deutschlandhalle and the construction of new exhibition halls at the "Expo Center City" and "Expo CenterAirport" venues. The total investment volume incurred by Messe Berlin GmbH for the construction of the new halls is approximately EUR 91 mi.

Within the group the other financial obligations amount to EUR 76.6 mi., of which EUR 1.3 mi. is to associated companies. Messeimmobilien Selchow GmbH is investing EUR 27 mi. to develop the site at Selchow.

No other significant transactions that were not recorded on the balance sheet were undertaken during the financial year.

## 23. Business conducted with affiliated companies and persons

In the year under review business amounting to EUR 137 mi. was conducted with affiliated companies and persons.

Affiliated companies	Type of business	2011 EUR mi.	2010 EUR mi.
Service subsidiaries Capital Catering GmbH, MB Capital Services GmbH, Capital Facility GmbH & Co. KG	Event-related services provided by the service subsidiaries for Messe Berlin GmbH	38	25
	Rental and other services provided by Messe Berlin for the service subsidiaries	6	7
Land Berlin (shareholder)	Assistance in connection with the maintenance of the Exhibition Grounds and the staging of individual events	16	19
<b>Total</b>		<b>60</b>	<b>51</b>

## 24. Sales proceeds

The lessor was invoiced for TEUR 1,860 (previous year TEUR 1,800) for necessary short term renovation work in the ICC. TEUR 14,000 was paid by Land Berlin for ongoing maintenance and repairs. The sales were shown as portfolio and facility services.

The sales proceeds for the group and for Messe Berlin are made up as follows:

**Explanations concerning the profit and loss accounts**

	Group		Messe Berlin GmbH	
	2011	2010	2011	2010
	TEUR	TEUR	TEUR	TEUR
Own events	78,492	102,748	70,370	92,042
Guest events, congresses, events	41,383	36,305	17,011	20,913
Services	27,663	33,903	14,251	19,741
Catering services	8,592	9,031	–	–
Portfolio and facility services	18,035	18,918	21,412	22,019
Other sales proceeds	7,922	16,517	5,197	13,536
<b>Total</b>	<b>182,087</b>	<b>217,422</b>	<b>128,241</b>	<b>168,251</b>

Within the group, compared with the previous year, foreign sales increased by TEUR 4,281. A substantial contribution was made by K.I.T. Group GmbH with the congresses that it organised abroad.

	Group	
	2011	2010
	TEUR	TEUR
Own events	3,896	2,722
Guest events, congresses, events	8,021	5,086
Services	1,546	1,127
Other sales proceeds	282	529
<b>Total</b>	<b>13,745</b>	<b>9,464</b>

#### 25. Other operating revenues

Revenue that is unrelated to the accounting period, from the liquidation of provisions and the liquidation of value adjustments on receivables totalling TEUR 4,012 (Messe Berlin: TEUR 3,377), is accounted for in the other operating revenues.

	Group		Messe Berlin GmbH	
	2011	2010	2011	2010
	TEUR	TEUR	TEUR	TEUR
Revenue from liquidation of provisions (not specific to accounting period)	3,167	3,448	2,807	2,884
Revenue from liquidation of value adjustments on receivables (not specific to accounting period)	845	803	570	508
Revenue from liquidation of special items for contributions	289	289	289	289
Revenue from disposal of fixed assets and write-ups to financial assets	3	399	3	397
Remaining operative revenue	1,913	2,000	3,540	3,358
<b>Total</b>	<b>6,217</b>	<b>6,939</b>	<b>7,209</b>	<b>7,436</b>

#### 26. Other operating expenditure

In the expenditure unrelated to the accounting period the renunciation of claims totalled TEUR 117 for Messe Berlin and TEUR 128 for the group.

#### 27. Staff

The staff numbers, averaged for the year, were made up as follows:

	Group		Messe Berlin GmbH	
	2011	2010	2011	2010
Employees	688	669	355	348
Trainees	33	24	20	15
<b>Total</b>	<b>721</b>	<b>693</b>	<b>375</b>	<b>363</b>

In addition casual staff were employed when the need arose.

### 28. Write-downs

Because the construction work being carried out by Messe Berlin GmbH has not yet been completed there has been no appreciable increase in the write-downs on tangible and intangible assets of Messe Berlin GmbH. The scheduled write-downs amount to TEUR 3,409 (previous year: TEUR 3,168). In addition on-scheduled write-downs amounting to TEUR 963 were made. It was not necessary to undertake any significant write-downs on financial assets.

Within the group the write-downs amounted to TEUR 5,988 (previous year: TEUR 11,502). In the year under review there were non-scheduled write-offs on the value of the company amounting to TEUR 616 and on tangible assets amounting to TEUR 963.

### 29. Extraordinary income

The profit from the merger between Popkomm GmbH and Messe Berlin GmbH is shown in the extraordinary income (TEUR 1).

### 30. Taxes

During the year under review an external audit was conducted at Messe Berlin GmbH and its controlled subsidiaries – Capital Catering GmbH, MB Capital Services GmbH, MW Messe-, Ausstellungs- und Dienstleistungsgesellschaft mbH, Messe- welten GmbH – and at the subsidiaries that are not controlled by Messe Berlin GmbH, – E.G.E. European Green Exhibitions GmbH, MAZ Messe- und Ausstellungszentrum Mühlengiez GmbH und CSG-Team GmbH. The audit was conducted for the period 2005 to 2007 and covered the corporation tax and solidarity surcharge, trade tax and sales tax. The audits mainly took place from 5 April to 12 September 2011 on the premises of Messe Berlin GmbH. A final discussion with the responsible departmental manager took place on 12 September 2011.

Within the group the external audit is likely to increase tax on earnings by about TEUR 100 and by about TEUR 15 in the case of sales tax. Provisions have been made for these sums in the year under review. As a result of the subsequent taxation effects, reductions can be expected for the following years amounting to approx. TEUR 93 for tax on earnings and increased tax of approx. TEUR 24 on sales tax.

Within the group the tax on earnings totals TEUR 1,085. A large proportion of this is accounted for by the taxable profits of K.I.T. Group GmbH. In the year under review Messe Berlin was subject to tax on earnings of TEUR 32.

### 31. Composition of the financial capital

The financial capital comprises short term bank balances as well as cash and cheques amounting to TEUR 67,719.

### 32. Management and Supervisory Board

During the financial year Messe Berlin GmbH comprised the following organs:

#### Management:

Raimund Hosch, Kleinmachnow  
MBA, Chief Executive Officer

Dr. Christian Göke, Berlin  
Chief Operating Officer

#### Supervisory Board:

Hans-Joachim Kamp  
Diplom-Kaufmann  
Chairman of the Supervisory Board of Philips Deutschland GmbH,  
Hamburg Chairman

Harald Wolf (until 13.12.11)  
Mayor and former Senator for Economics,  
Technology and Women's Issues, Berlin, Member  
of the Berlin Chamber of Deputies  
First deputy chairman (until 13.12.11)

Sybille von Obernitz (from 01.01.12)  
Senator for Economics, Technology and Research  
First deputy chairman (from 25.01.12)

Thomas Jaegler  
Sous-Chef  
Capital Catering GmbH, Berlin  
Employees' representative  
Second Deputy Chairman

**Explanations concerning  
the statement of changes  
in the financial position**

**Other explanations**

Jean-Claude Baumgarten  
Vice Chairman  
World Travel & Tourism Council, London/U.K.

Ute Biernat  
Chief Executive Officer  
GRUNDY Light Entertainment, Cologne

Ulrike Brabant  
Head of Customer Services Department  
MB Capital Services GmbH, Berlin  
employees' representative

Jan Eder  
Chief Executive Officer  
Berlin Chamber of Industry and Commerce, Berlin

Klaus Feiler (from 15.02.12)  
State Secretary  
Senate Department for Finance, Berlin

Ellen Funk  
Purchasing & Organisation Division  
Head of Business Support Dept. Messe Berlin GmbH  
Berlin Employees' representative

Dr. Beatrice Kramm  
Managing Partner  
Polyphon Film- und Fernsehgesellschaft mbH, Hamburg/Berlin

Catherine Mühlemann  
Director, media entrepreneur, lecturer,  
co-partner Andmann Media Holding  
Andmann Media Holding, Baar, Switzerland

Stephan Ruppel  
Competence Centre Congresses & Guest Events  
Departmental Director Marketing & Sales  
Messe Berlin GmbH  
Employees' representative

Gerd Sonnleitner  
President  
German Farmers' Union – DBV, Berlin

Iris Spranger (until 27.10.11)  
former State Secretary, Berlin  
Member of the Berlin Chamber of Deputies

Ulrich Tepel  
Director, Event Services Division  
Messe Berlin GmbH, Berlin  
Employees' representative

Wolf-Dieter Wolf  
Managing Partner  
Grundkonzept GmbH, Berlin

Taking all declarable amounts into consideration, the earnings of the members of the management are made up as follows:

	Raimund Hosch	Dr. Christian Göke
	TEUR	TEUR
Fixed amount	256	205
Emoluments	226*	177
<b>Total</b>	<b>482</b>	<b>382</b>

\* of which Mr. Hosch paid TEUR 150 into a pension scheme during the year under review.

TEUR 649 (previous year: TEUR 639) in pensions and related benefits was paid to former managers and surviving dependents. For the groups of persons referred to above pension provisions amounting to TEUR 5,398 (previous year: TEUR 7,408) were made. During the year under review the members of the Supervisory Board received remuneration amounting to TEUR 83 (previous year: TEUR 83).

As an unlisted company Messe Berlin GmbH applies the Berlin Corporate Governance Code in accordance with § 161 AktG. The declaration by the management and supervisory board of conformity with the German Corporate Governance Code was submitted to a vote by the supervisory board on 1 December 2011 and received its approval.

The declaration of conformity has been made available on the company's website.

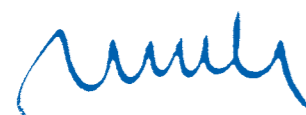
### 33. Total auditor's fee

The following fees apply for the services provided by the auditing company KPMG:

TEUR	2011	2010
Audit of annual accounts	127	121
Other auditing and certification services	10	93
Tax advisory services	3	–
<b>Total</b>	<b>140</b>	<b>214</b>

The final audit fees cover the auditing of the annual financial statement of Messe Berlin GmbH and other subsidiaries as well as the audit of the group annual financial statement.

Berlin, 29 February 2012



Raimund Hosch



Dr. Christian Göke

## Appendix 1: List showing shares of capital

## Appendices

	Share of nominal capital %	Own capital TEUR	Earnings TEUR
<b>Affiliated companies</b>			
Capital Catering GmbH, Berlin <sup>1, 2</sup>	100	60	0
MB Capital Services GmbH, Berlin <sup>1, 2</sup>	100	400	0
CSG-Team GmbH, Berlin <sup>2</sup>	100	100	–14
Capital Facility Beteiligungsgesellschaft mbH, Berlin <sup>4</sup>	100	29	4
Capital Facility GmbH & Co. KG, Berlin <sup>2, 6</sup>	100	150	0
Berlin Fashion Week GmbH, Berlin i.L. <sup>4</sup>	100	–3,875	–39
MAW Messe-, Ausstellungs- und Dienstleistungsgesellschaft Wolfsburg mbH, Wolfsburg <sup>1, 2</sup>	100	626	0
Messewelten GmbH, Berlin <sup>1, 2</sup>	100	–221	0
Messe Berlin (Singapore) PTE. LTD., Singapore <sup>2</sup>	100	427	180
E.G.E. European Green Exhibitions GmbH, Berlin <sup>2, 7</sup>	50	1,127	–28
MAZ Messe- und Ausstellungszentrum Mühlengiez GmbH, Mühlengiez <sup>1, 2</sup>	100	27	0
Global Produce Events GmbH, Berlin <sup>2</sup>	70	228	197
K.I.T. Group GmbH, Berlin <sup>2</sup>	51	1,354	1,318
Festival Technical Event Management GmbH, Berlin <sup>2</sup>	50.1	307	177
K.I.T. Congress Incentives GmbH Dresden, Dresden <sup>2</sup>	55.08	59	25
FVF Messe-Event AG, CH-Frauenfeld <sup>2, 5</sup>	51	86	–13
WHS Foundation GmbH, Berlin <sup>4</sup>	100	21	–4
<b>Shareholdings</b>			
Messeimmobilien Selchow GmbH, Selchow <sup>3</sup>	50	9,847	–100

<sup>1</sup> Control and profit-and-loss transfer agreement with the respective parent company

<sup>2</sup> Fully consolidated

<sup>3</sup> Proportionally consolidated

<sup>4</sup> In accordance with § 296 Section 2 HGB, of lesser importance and therefore not included in the group statement

<sup>5</sup> Included for the first time within the scope of the consolidation; first consolidated on 23.09.2011

<sup>6</sup> The partners fixed capital is shown

<sup>7</sup> Controlling influence in accordance with § 290 (1) in connection with (2) No. 2 HBG

Appendix 2: Development of the group's assets for the financial year 2011

Group fixed assets schedule

	Initial cost				Initial costs 31.12.2011 TEUR	Write-downs				Book values	
	Initial costs 01.01.2011 TEUR	Additions TEUR	Adjusting entries TEUR	Disposals TEUR		Write-downs 01.01.2011 TEUR	Additions TEUR	Disposals TEUR	Write-downs 31.12.2011 TEUR	Book value 31.12.2011 TEUR	Book value 31.12.2010 TEUR
<b>I. Intangible assets</b>											
Rights and licences acquired by payment	11,686	1,838	-	-332	13,192	10,609	725	-182	11,152	2,040	1,077
Goodwill	1,530	616	-	-	2,146	1,414	704	-	2,118	28	116
Payments made on account	58	92	-	-	150	-	-	-	-	150	58
	<b>13,274</b>	<b>2,546</b>	<b>-</b>	<b>-332</b>	<b>15,488</b>	<b>12,023</b>	<b>1,429</b>	<b>-182</b>	<b>13,270</b>	<b>2,218</b>	<b>1,251</b>
<b>II. Tangible assets</b>											
Buildings on externally owned sites	44,121	180	29	-22	44,308	14,985	1,834	-13	16,806	27,502	29,136
Technical installations and machinery	3,136	6	-	-	3,142	804	192	-	996	2,146	2,332
Operating and business equipment	22,732	734	-	-1,143	22,323	16,310	2,533	-1,137	17,706	4,617	6,422
Payments on account and installations under construction	180	22,110	-29	-37	22,224	-	-	-	-	22,224	180
	<b>70,169</b>	<b>23,030</b>	<b>-</b>	<b>-1,202</b>	<b>91,997</b>	<b>32,099</b>	<b>4,559</b>	<b>-1,150</b>	<b>35,508</b>	<b>56,489</b>	<b>38,070</b>
<b>III. Financial assets</b>											
Shares in affiliated companies	39	25	-	-13	51	-	-	-	-	51	39
Shareholdings	26	-	-	-	26	-	-	-	-	26	26
Securities included in the assets	42	-	-	-	42	-	-	-	-	42	42
Payments made on account	-	1,200	-	-	1,200	-	-	-	-	1,200	-
	<b>107</b>	<b>1,225</b>	<b>-</b>	<b>-13</b>	<b>1,319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,319</b>	<b>107</b>
	<b>83,550</b>	<b>26,801</b>	<b>-</b>	<b>-1,547</b>	<b>108,804</b>	<b>44,122</b>	<b>5,988</b>	<b>-1,332</b>	<b>48,778</b>	<b>60,026</b>	<b>39,428</b>

Appendix 3: Development of assets for the financial year 2011

Fixed assets schedule

	Initial cost					Write-downs				Book values	
	Initial costs	Additions	Adjusting entries	Disposals	Initial costs	Write-downs	Additions	Disposals	Write-downs	Book value	Book value
	01.01.2011 TEUR	TEUR	TEUR	TEUR	31.12.2011 TEUR	01.01.2011 TEUR	TEUR	TEUR	31.12.2011 TEUR	31.12.2011 TEUR	31.12.2010 TEUR
<b>I. Intangible assets</b>											
Rights and licences acquired by payment	9,958	164	-	-315	9,807	9,280	303	-166	9,418	389	678
Payments made on account	57	92	-	-	149	-	-	-	-	149	57
	<b>10,015</b>	<b>256</b>	<b>-</b>	<b>-315</b>	<b>9,956</b>	<b>9,280</b>	<b>303</b>	<b>-166</b>	<b>9,418</b>	<b>538</b>	<b>735</b>
<b>II. Tangible assets</b>											
Buildings on externally owned sites	44,029	181	29	-22	44,217	14,942	1,816	-13	16,745	27,472	29,087
Technical installations and machinery	3,136	6	-	-	3,142	804	192	-	996	2,146	2,332
Operating and business equipment	18,828	2,539	-	-276	21,091	15,128	2,061	-271	16,918	4,173	3,700
Payments on account and installations under construction	66	17,488	-29	-	17,525	-	-	-	-	17,525	66
	<b>66,059</b>	<b>20,214</b>	<b>-</b>	<b>-298</b>	<b>85,975</b>	<b>30,874</b>	<b>4,069</b>	<b>-284</b>	<b>34,659</b>	<b>51,316</b>	<b>35,185</b>
<b>III. Financial assets</b>											
Shares in affiliated companies	10,002	646	-	-13	10,635	5,685	25	-	5,710	4,925	4,317
Shareholdings	733	-	-	-126	607	-	-	-	-	607	733
Securities included in the assets	5,038	3	-	-	5,041	873	-	-	873	4,168	4,165
Payments made on account	-	1,200	-	-	1,200	-	-	-	-	1,200	-
	<b>15,773</b>	<b>1,849</b>	<b>-</b>	<b>-139</b>	<b>17,483</b>	<b>6,558</b>	<b>25</b>	<b>-</b>	<b>6,583</b>	<b>10,900</b>	<b>9,215</b>
	<b>91,847</b>	<b>22,319</b>	<b>-</b>	<b>-752</b>	<b>113,414</b>	<b>46,712</b>	<b>4,397</b>	<b>-450</b>	<b>50,660</b>	<b>62,754</b>	<b>45,135</b>

Messe Berlin GmbH  
balance sheet  
to 31 December 2011

Assets	31.12.2011		31.12.2010	
	TEUR	TEUR	TEUR	TEUR
<b>A. Fixed assets</b>				
I. Intangible assets				
1. Rights and licences acquired by payment	389		678	
2. Payments made on account	149	538	57	735
II. Tangible assets				
1. Buildings on externally-owned sites	27,472		29,087	
2. Technical installations and machinery	2,146		2,332	
3. Operating and business equipment	4,173		3,700	
4. Payments on account and installations	17,525	51,316	66	35,185
III. Financial assets				
1. Shares in affiliated companies	4,925		4,317	
2. Loans to affiliated companies	607		733	
3. Shareholdings	4,168		4,168	
4. Payments made on account	1,200	10,900	0	9,218
		<b>62,754</b>	<b>45,138</b>	
<b>B. Liquid assets</b>				
I. Inventories				
Raw, auxiliary and operating materials		43		37
II. Accounts receivable and other assets				
1. Receivables from deliveries and services	7,704		12,166	
2. Receivables due from affiliated companies	7,538		6,509	
3. Receivables due from shareholders	1,860		1,558	
4. Accounts payable to companies in which a participating interest exists	19		271	
5. Other assets	8,326	25,447	5,182	25,686
III. Cash holdings, credit institution balances and cheques		40,912		59,806
		<b>66,402</b>	<b>85,529</b>	
<b>C. Accruals and deferrals</b>		<b>0</b>	<b>0</b>	
		<b>129,156</b>	<b>130,667</b>	

Liabilities	31.12.2011		31.12.2010	
	TEUR	TEUR	TEUR	TEUR
<b>A. Equity capital</b>				
I. Subscribed capital	20,708		20,708	
II. Capital reserves	12,578		12,578	
III. Earnings reserves	109		109	
IV. Accumulated profits	13,229		7,739	
V. Annual deficit (in prev. year Annual surplus)	-207		5,490	
	<b>46,417</b>		<b>46,624</b>	
<b>B. Special items for contributions to assets</b>	<b>4,545</b>		<b>4,835</b>	
<b>C. Provisions</b>				
1. Provisions for pensions	10,983		10,182	
2. Provisions for tax	102		1,893	
3. Other provisions	27,811		30,298	
	<b>38,896</b>		<b>42,373</b>	
<b>D. Liabilities</b>				
1. Liabilities to financial institutions	8,000		0	
2. Down payments received on orders	22,366		19,083	
3. Liabilities from deliveries and services	4,669		3,561	
4. Liabilities to affiliated companies	745		807	
5. Liabilities to companies in which a participating interest exists	0		3,900	
6. Other accounts payable (of which, from taxes TEUR 342 (prev. year TEUR 4,028) (of which, for social security TEUR 2; prev. year 0)	1,329		7,084	
	<b>37,109</b>		<b>34,435</b>	
<b>E. Accruals and deferrals</b>	<b>2,189</b>		<b>2,400</b>	
	<b>129,156</b>		<b>130,667</b>	



**Profit and loss statement**  
**Messe Berlin GmbH**  
**for the period from 1 January**  
**to 31 December 2011**

	2011	2010
	TEUR	TEUR
1. Sales proceeds	128,241	168,251
2. Other operating revenues (of which, income from currency conversion TEUR 11; prev. yr. TEUR 101)	7,209	7,436
3. Material costs		
a) Costs of raw, auxiliary and operating materials	-9,506	-8,597
b) Costs of buying in services	-81,828	-91,334 - 105,821 - 114,418
4. Personnel costs		
a) Wages and salaries	-19,922	-19,730
b) Social security contributions and costs of pensions and benefits of which, for old age pensions TEUR 2,719; prev. year TEUR 1,634)	-5,870	-25,792 - 4,903 - 24,633
5. Write-downs for intangible assets and tangible assets	-4,372	-3,168
6. Other operating costs (of which, costs of currency conversion TEUR 29; prev. yr. TEUR 27)	-20,105	-27,517
7. Income from holdings	3,709	2,615
8. Income from profit transfer agreements	3,704	5,393
9. Earnings from loans from financial assets (of which, from affiliated companies TEUR 24; prev. year TEUR 22)	24	22
10. Other interest and similar income (of which, from affiliated companies TEUR 41; prev. year TEUR 79) (of which, income from discounting provisions TEUR 0; prev. yr. TEUR 0)	484	453
11. Write-downs on financial assets	-25	-6,308
12. Expenditure from absorption losses	-1,035	-44
13. Interest and similar expenditures (of which, costs of discounting provisions TEUR 818; prev. yr. TEUR 659)	-872	-661
<b>14. Earnings from regular business activities</b>	<b>-164</b>	<b>7,421</b>
15. Extraordinary expenditures	1	0
16. Taxes on income and earnings	-33	-1,920
17. Other taxes	-11	-11
<b>18. Annual deficit (prev. year annual surplus)</b>	<b>-207</b>	<b>5,490</b>

# Audit certificate

We have examined the annual financial statement – consisting of the balance sheet, profit and loss account and appendix, of Messe Berlin GmbH and the group, with the inclusion of the book-keeping of Messe Berlin GmbH, Berlin, together with the group financial statement prepared by the company – consisting of the balance sheet, profit and loss account and appendix of Messe Berlin GmbH and of the group, the cash flow statement and statement of shareholders' equity – and their report on the state of the company and of the group for the financial year from 1 January to 31 December 2011. The preparation of these documents in accordance with the regulations of German commercial law is the responsibility of the company's management. Our task, on the basis of the examination that we have conducted, is to evaluate the annual financial statement, including the book-keeping and the group annual financial statement together with its report on the state of the company and the group.

We have examined the annual and group financial statement in accordance with § 317 HGB, having due regard to the German principles of correct financial auditing as laid down by the auditing institute - Institut der Wirtschaftsprüfer -(IDW). These specify that the audit should be planned and carried out in such a way as to identify with sufficient certainty any inaccuracies and irregularities that would have a significant impact on the situation as shown in the annual financial statement and the group annual statement and in the report on the state of the company and the group, with regard to assets, finances and revenues, taking into consideration the principles of correct book-keeping. In determining the actions to be carried out in the audit attention is paid to knowledge about the commercial activities and about the economic and legal situation of the company and the group, as well as the expectations of any possible errors. Within the scope of the audit an appraisal is made, predominantly on the basis of random tests, of the accounting-related internal control systems and of the evidence underlying the statements in the book-keeping, in the annual financial statement and group financial statement, and in the report on the state of the company and the group. The examination encompassed an appraisal of the annual financial statements of the companies included in the group financial statement, the differentiation of the consolidated entity, the principles applied to accounting and consolidation and significant assessments by the legally appointed representatives and an evaluation of the overall presentation of the annual financial statement and group financial statement and of the report about the state of the company and of the group. In our opinion our examination provides a sufficiently secure basis for our appraisal.

Our examination has not produced any objections.

In our assessment, on the basis of the findings revealed by the examination, the annual financial statement and the group financial statement comply with statutory regulations and, observing the principles of correct book-keeping, they provide a picture of the situation regarding assets, finances and revenues of the company and the group that reflects the actual circumstances. The report on the situation of the company and the group is consistent with the annual financial statement and the group financial statement and, in its entirety, it provides an accurate picture of the state of the company and of the group, and accurately presents the opportunities and risks of future development.

Berlin, 29.02.12

KPMG AG  
Auditing Company

Dr. Großmann  
Wirtschaftsprüfer

Franz  
Wirtschaftsprüfer

# Corporate governance report for the financial year 2011

As an unlisted company Messe Berlin GmbH applies the Berlin Corporate Governance Code ("Kodex") on the basis of the participation guidelines issued by the Land Berlin, which the Senate Department for Finance requires Messe Berlin to observe, being a company in which the Land Berlin holds a stake greater than 50 per cent.

In the corresponding application of § 161 AktG, the management and supervisory board of Messe Berlin GmbH state that, as shown below and with the exception of the divergences that are also shown, Messe Berlin GmbH has and will continue to comply with the recommendations of the Berlin Corporate Governance Code in the version dated 17 February 2009. If any of the following statements apply both to the statement period 2011 and to future statement periods, these are shown in the present.

## **1. Collaboration between the management and the supervisory board**

The management and supervisory board work closely in an atmosphere of mutual trust for the benefit of the company. Details of all company affairs and knowledge about the company are revealed by the management as part of its reporting obligations. Management and supervisory board personnel have an obligation to maintain secrecy.

As a matter of principle the management always participates in the meetings of the supervisory board.

Strategic corporate planning is coordinated with the supervisory board. The management regularly reports on the progress achieved in implementing these plans.

In addition to the rules in the company agreement concerning the obligation to provide information and maintain secrecy, the Supervisory Board has imposed rules of procedure to be observed by the management, regulating the rights of consent of the Supervisory Board. The Management shall acquaint the Supervisory Board about all business of fundamental importance and shall obtain the latter's approval in all matters that require such approval.

The Management shall meet its obligations, regularly and in written form, to provide information and maintain secrecy for all issues concerning planning, business development, the risk situation, risk management and compliance that are relevant to the company; Target/performance comparisons are to be undertaken. Any divergence from the plan shall be shown in a plausible and understandable way and any necessary counter-measures that are proposed shall be an implementable form.

In meeting their obligations the Management and the Supervisory Board shall comply with correct business management practice; they shall observe the duty of care required for the correct and conscientious performance of the tasks of management and supervisory board. D&O insurance cover without an excess has been arranged for the management and supervisory board.

Each year in the business report the Management and Supervisory Board shall submit a report on the corporate governance of the company (corporate governance report), which is included on the Messe Berlin GmbH website. This also includes explanations about any divergences from the recommendations of the Berlin Corporate Governance Code.

## **2. Management**

The management shall bear responsibility for managing the company and shall work exclusively on behalf of the company's interests and to increase the long term value of the company. No activities that are detrimental to the company shall be carried out. The Management shall ensure that statutory regulations and the company's own internal directives are observed. The Management shall work towards their observance by the companies within the group (compliance). The company has at its disposal an effective system of risk management and risk monitoring.

The management of the company comprises two management executives. The rules of procedure regulate the tasks of the management, the responsibility of individual managers for specific departments (in connection with the organisational plan), the tasks reserved for the management as a whole and the majority of votes required for management decisions.

The managers' remuneration comprises a fixed amount and also a variable remuneration. The variable remuneration is made on the basis of an agreement on objectives, which is agreed with the chairman of the Supervisory Board and based on a ruling by the Personnel and Presidial Committee. It consists of a profit-sharing arrangement based on the target result and on other structural objectives. The target agreement includes specifications intended to provide long term incentives and a ceiling is set on the amount involved.

The remuneration of the managers is shown in an appendix to the annual financial statement. The annual financial statement is available on the Messe Berlin GmbH website as part of the business report.

Due to the preservation of vested rights the agreements with the managers have not been designed in such a way that payments to the managers in the event of premature termination of their management activities without good reason, and including fringe benefits, do not exceed the value of two years' remuneration (severance package cap) and do not provide remuneration for a period exceeding the remaining term of the agreement.

### 3. Supervisory Board

The Supervisory Board discharges its duties to the Management in accordance with the terms of the company agreement and the procedural rules. It is involved in decisions of fundamental importance for the company and does not hitherto see any need for additional regulation. The frequency of meetings and time allotments correspond to the requirements of the company. Procedural rules have been laid down for the Supervisory Board. It has no other business linked with its approval.

The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, oversees its meetings and represents the interests of the Supervisory Board externally. There is regular contact between the Chairman of the Supervisory Board and the Management, when regular consultations take place about strategy, business development and risk management. The Chairman of the Board of Management (CEO) advises the Chairman of the Supervisory Board without delay about any importance events which are of fundamental importance in assessing the situation and ongoing development and also for the management of the company. For his part, when necessary the Chairman of the Supervisory Board briefs the Supervisory Board.

The Supervisory Board also includes a personnel and presidial committee. The chairman of this committee is also the chairman of the Supervisory Board. The signing and termination of employment and pension contracts and the authority to determine emoluments for the managers are assigned to the Personnel and Presidial Committee of the Supervisory Board for consultation and decision-making.

Furthermore the Personnel and Presidial Committee is authorised to conduct legal transactions of any kind with members of the Supervisory Board and members of the Management. The chairman of the committee informs the plenary assembly of the Supervisory Board about the content and outcome of the consultations.

With its resolution of 2 July 2009 the Supervisory Board has continued to assign to the Personnel and Presidial Committee the tasks and authority to act as an audit committee until the end of the current term of office.

The Personnel and Presidial Committee therefore also deals with issues involving accounting, and with risk management and compliance, the necessary independence of the auditor, the award of the auditing contract to the auditor, defining the priorities of the audit and the agreement about fees.

With its decision on 4 April 2011 the Supervisory Board set up an Investment Committee. Its task is to advise the Supervisory board about real and financial investments of major significance, on the basis of the company's general strategy.

The Supervisory Board has not assigned any further decision-making competences to any committees.

The Supervisory Board has not specified an age limit for the managers. It is not the practice for a manager to take over the chairmanship of the Supervisory Board or one of its committees.

In submitting proposals for the membership of the Supervisory Board it is important to ensure at all times that the members of the Supervisory Board have the knowledge, skills and professional experience required in order to correctly perform their tasks. The Supervisory Board shall comprise what it considers to be a sufficient number of independent members. No member of the Supervisory Board holds the maximum number of 5 or 10 mandates on the Board.

The election of employees' representatives is conducted in accordance with the rules laid down in DrittelbG. The shareholders' representatives are not elected individually by the meeting of shareholders.

The remuneration received by members of the Supervisory Board is determined as the result of a resolution by the shareholders' meeting and takes into account the responsibility and scope of activities of the members of the Supervisory Board, the economic situation and the success of the company as well as the chairmanship and deputy chairmanship. The remuneration consists of a fixed sum. Remuneration based on results or special services is not provided.

The total remuneration is shown on the appendix to the annual financial statement. The individual remuneration paid to each member is not shown.

In 2011 one member left the Supervisory Board on 27 October 2011, and a further member left on 13 December 2011.

In 2011 no member of the Supervisory Board attended less than half of the meetings held by the board.

The Supervisory Board regularly examines the efficiency of its activities. It has established that no events can be identified that have restricted its efficiency.

#### **4. Conflicts of Interest**

The members of the Supervisory Board observe the rules of restraint on competition. They neither solicit benefits or advantages from third parties nor do they accept them for themselves or for others. They do not grant unjustified advantages to third parties. The Management is not aware of any cases in which advantages have been accepted or granted by employees of the company.

Members of the Management as well as of the Supervisory Board safeguard the interests of the company, do not pursue any personal interests and do not make use of the company's business opportunities for their own benefit.

No member of the Management or of the Supervisory Board was subject to any conflict of interest.

No business transactions have been concluded with the company by members of the Management, by persons associated with them, or by persons to whom they are closely associated and consequently have not been submitted to the Supervisory Board for its approval. No consultancy contract, service contract, work-for-hire contract or other contract between members of the Supervisory Board and the company has been submitted to the Supervisory Board for its approval. Should such business arrangements arise, no uniform regulation has been made by the group to disclose or inform the Supervisory Board, on the basis of statutory regulations.

The Supervisory Board has not enacted any procedural rules for business with the company with reference to individual cases.

In 2011 the Chairman of the Board of Management (CEO) Mr. Hosch was

- a member of the board of Exhibition and Trade Fair Committee of German Industry) – AUMA;
- a member of the board of Community of Large German Trade Fairs) – GDG;
- a member of the Board of Directors of Union de Foires Internationales – UFI;
- a member of the Economic Advisory Council of Landessportbund Berlin (Berlin Regional Sports Federation);
- a member of the Directors' Council of Allgemeiner Verband der Wirtschaft für Berlin und Brandenburg e.V. (General Business Association for Berlin und Brandenburg)

In 2011 the manager (COO) Dr. Göke was

- a member of the Supervisory Board of Berlin Tourismus Marketing GmbH;
- a member of the Supervisory Board of Hertha BSC Berlin GmbH & Co. KGaA;
- a member of the Supervisory Board of Berlin Tourismus Marketing GmbH;
- a member of the Supervisory Board of Kick-Media AG,
- a member of the Economic Advisory Council of Landessportbund Berlin (Berlin Regional Sports Federation);
- Chairman of the Supervisory Board of Popkomm GmbH.
- a member of the Administrative Council of the German National Tourist Board (DZT)

The managers did not perform other work outside the company. Details of any outside work shall be submitted to the chairman of the Personnel and Presidial Committee for his approval.

No loans have been granted to members of the Management or to members of the Supervisory Board or to relatives or dependents of the members of these organs.

#### **5. Transparency**

No facts concerning the scope of activities of the company have become known that have had a not insignificant impact on its assets and finances or on the course of its business.

To some extent information about the company has also be published on the internet. The current Corporate Governance report is accessible on the company's web site.

# Report of the Supervisory Board 2011

## 6. Accounting

The annual financial statement and the group financial statement have been compiled in accordance with recognised national accounting principles and have been submitted to the shareholders within the intended deadline following the corresponding resolution by the Supervisory Board.

In addition to the annual financial statement and the group financial statement, the Land Berlin, as main shareholder, and the Chairman of the Supervisory Board will be kept informed during the current financial year by means of quarterly reports in accordance with the specifications laid down by the Subsidiary Controlling department of the Land Berlin and will discuss the interim reports with the Management. Reports to the Supervisory Board on the financial situation will be submitted at the meetings of the Supervisory Board, which are held at least quarterly.

## 7. Audit of Annual Accounts

The Supervisory Board has received a statement from the auditors confirming that no commercial, financial, personal or other liabilities exist – with regard to the auditors' organs – or with regard to the company/members of its organs. There are no doubts about the independence of the auditor, its organs or the persons in charge of the audit. If any reasons for possible bias exist the auditor is required to notify the chairman of the Supervisory Board without delay. The auditor has not presented any reasons for bias.

The Supervisory Board has commissioned the auditor to carry out the audit and has agreed a fee with him.

The auditor has not informed the Supervisory Board about any findings or occurrences. The auditor is not aware of any facts that would compromise the accuracy of the statement given to the Berlin Corporate Governance Code.

The auditor will take part in the consultations by the Supervisory Board concerning the annual financial statement and the group financial statement and will report on any substantial findings resulting from his investigations.

In the financial year 2011 the Supervisory Board of Messe Berlin GmbH convened at four regular sessions and one extraordinary meeting. In addition three resolutions were introduced in the course of a written circulation process outside the meetings of the board. The Supervisory Board discharged its tasks as stipulated by law and the company articles and supervised the management of the company as well as supporting its management in a consultative capacity. The Supervisory Board was involved in all decisions that were of fundamental importance for the company. This applies in particular with regard to corporate planning and to the main projects and investments. Matters which, in accordance with the law and the company agreement, require the approval of the Supervisory Board, were submitted for a ruling. This applies in particular to the economic and finance plan.

The chairman of the Supervisory Board was kept regularly informed by the chairman of the Board of Management (CEO) about all important business occurrences and about the economic development of the company.

In 2011 the meetings again focused on major investment measures involving the trade fair infrastructure, such as the construction of new halls on the site of the Deutschlandhalle and the construction of the exhibition venue ExpoCenter Airport in Selchow, immediately adjacent to the main BER Berlin Brandenburg airport.

The Supervisory Board dealt in particular with the outcome of the architectural competition for a new multi-purpose hall, and the planning and financing that form the basis for this project. The positive response to this new hall among customers was noted with interest.

In connection with the Berlin ExpoCenter Airport the Supervisory Board focused its attention not only on the ILA Berlin Air Show 2012ff, but in particular also on the schedule for the completion of the grounds and the marketing situation. In order to be able to deal with concrete questions on rental matters and the requirements for permanent halls, the Supervisory Board approved the investment by Messe Berlin in three permanent halls, with completion due at the end of May 2012.

The Supervisory Board also addressed the potential for expansion by attracting new customer target groups for congresses, and by developing new markets abroad. For this purpose a subsidiary has been created in Switzerland.

A group operating agreement was finalised for the restructuring of the Facility Management Division and of technical event services within the group.

This clears the way for strengthening the commercial position of Messe Berlin and for improving internal processes in these areas.

During 2011 were five regular meetings of the Personnel and Presidial Committee were held. In accordance with a decision by the Supervisory Board on 2 July 2009 the Personnel and Presidial Committee also deals with issues involving accounting and risk management, the necessary independence of the auditor, the award of the auditing contract to the auditor, defining the priorities of the audit and the agreement about fees.

At its session on 4 April 2011 the Supervisory Board redrafted and supplemented the rules of procedure for the Supervisory Board and also set up a n Investment Committee to advise the Supervisory Board on the basis of the general corporate strategy in its negotiations and resolutions concerning significant real and financial investments. Two sessions of the Investment Committee took place in 2011.

The annual financial statement and group financial statement provided by the Management, together with the situation report and group situation report for the financial year 2011, have been examined by the auditors appointed by the shareholders of Messe Berlin GmbH, KPMG AG Wirtschaftsprüfungsgesellschaft, and have been awarded the unconditional audit certificate.

On the basis of a decision by the Supervisory Board on 30 September 2004, as an unlisted company Messe Berlin GmbH has voluntarily applied the German Corporate Governance Code – since 2009 the Berlin Corporate Governance Code. The Corporate Governance Report 2011 by the Management and the Supervisory Board is published in the Business Report and on the Messe Berlin web site.

In the meeting held on 29.03.12 the auditor informed the Supervisory Board about the contents of the annual financial statement and group financial statement for 2011 and answered all the questions raised by the members.

The Supervisory Board has examined and approved the annual financial statement and the management's situation report and has also recommended their findings to the shareholders' meeting and in addition has acknowledged the group financial statement and the group situation report. It has acknowledged and approved the findings of the examination conducted by the auditors.

The Supervisory Board has approved the proposal by the Management to apply the findings.

During the period under review there were two resignations from the Supervisory Board: Ms. Iris Spranger, former State Secretary, on 27.10.11, and Mr. Harald Wolf, former Senator, on 13.12.11.

The shareholders in Messe Berlin GmbH replaced Mr. Wolf and Ms. Spranger on the Supervisory Board by Senator Sybille von Obernitz, as of 01.01.12, and by State Secretary Klaus Feiler, as of 15.02.12, and consequently, in accordance with § 10 Section. (1) and (2) of the Messe Berlin GmbH company agreement, the board has a full complement of members.

In an extraordinary session on 25.01.12 the Supervisory Board appointed Ms. von Obernitz as first deputy chair of the Supervisory Board and as a member of the Personnel and Presidial Committee (PPA). During the aforementioned session the Supervisory Board also assigned the chair in all auditing matters within the PPA to Ms. von Obernitz .

At the meeting of the Supervisory Board on 29.03.12 Mr. Feiler was elected a member of the PPA, which accordingly has a full complement of members in accordance with § 1 Section. 1.

The Supervisory Board thanked the members who left during the period under review for their effective contribution.

Berlin, 29 March 2012



The Supervisory Board  
Hans-Joachim Kamp  
Chairman

# Imprint

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